

**POVERTY ALLEVIATION IN RURAL KENYA: A CASE STUDY ON WOMEN
ENTERPRISE FUND IN KANDUYI, BUNGOMA COUNTY**

BY

WERRE CYRILLA AMANYA

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DECLARATION

Declaration by candidate

This proposal is my original work and has not been presented for award of degree in any other University/college/Institution:

.....
.....

Cyrilla Amany Werre

Date

SHRD/PGD/09/10

Declaration by supervisors

This Research Thesis has been submitted for examination with our approval as university supervisors.

.....
.....

Prof. L. S. Mulongo

Date

Department of Development Studies

School of Human Resource Development

.....
.....

Ong'anya Dedan

Date

Department of Development Studies

School of Human Resource Development

DEDICATION

To all the great women in the world who have made a difference in my life.

ABSTRACT

Current poverty situation cutting across the world and more so sub-Saharan Africa calls for various poverty alleviation strategies as clearly evidenced by ever increasing absolute poverty needs to be evolved in order to actual tackle the problem. War in fighting poverty puts calls for an intensified commitment and concerted efforts involving all stakeholders to ensure appropriate strategies are developed to handle the issue. The general approach of declarations and conferences by world leaders and partners are not successful as they remain theoretical in that the present levels of poverty have not only remained rampant but also increased that's why specific strategies have been introduced through various evolving funds like the CDF constituency development fund, UWEZO constituency uwezo fund, LATF local Authority transfer fund, YEDF youth enterprise development fund to examine and assess their performance in alleviating poverty in Kenya on various dimensions. This study therefore examines and assesses the significance of WEF in combating poverty among poor women in rural Kenya and also aims at examining the role or effect of WEF in poverty alleviation in rural Kenya. The study looks at what it entails, how it is being managed, and utilized, challenges in accessing the fund and way forward strategies that enhance usage of the fund. It is not known to what extend the fund is helping in poverty alleviation, this study is necessary to establish whether the Fund is achieving its objectives in reaching the targeted beneficiaries with the right kind of funding and support. As a case study design, both primary and secondary data was used. with the target population comprising of women, microfinance institutions, banks, women secretariat, government officials from social services ministry totaling to 250. A list of 500 women, women groups registered members who had accessed the fund was given by the ministry of Gender, Children & Social services. Kanduyi sub-county was purposively selected because the many number of people registered of the targeted population using stratified simple random technique was used to ensure representativeness of the sample, able to generate a sample size of 250 from 500. Instruments used of data collection were questionnaires, interviews schedules, FGDs and photography. Collected data was subjected to SPSS computer package to generate frequencies, tables, pie charts and analyzed using descriptive statistical analysis. From the finding of the research study apart from ascertaining the process involved in managing and utilization of the fund also recommendations established numerous ways in which the fund's contribution to poverty alleviation can be enhanced and how several challenges of access and utilization can be overcome and it's anticipated that recommendations made will help put in place effective strategies to facilitate actual contribution to women who are the most vulnerable.

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Asante Sana!

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ABBREVIATIONS AND ACRONYMS

WEF	Women Enterprise Fund
MDG	Millennium Development Goals
DGSS	Department of Gender and Social Services
GK	Government of Kenya
MFI	Micro Finance Institution
CWEFC	Constituency Women Development Fund Committee
MSE	Micro and Small Enterprises
MGCSD	Ministry of Gender Children and Social Development
KWFT	Kenya Women Finance Trust
DGSDO	District Gender and Social Development Officer
PESCTE	Political, Economic, Socio-cultural and Technological
SMEP	Small and Micro Enterprise Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
SPSS	Statistical Packages for social sciences
CWES	Constituency Women Enterprise Scheme
DGSDO	District Gender and Social Development Officer
DWEC	District Women Enterprise Fund Committee
DWEFC	Divisional Women Enterprise Fund Committee
EAC	East African Community
ERSWEC Creation	Economic Recovery Strategy for Wealth and Employment Creation
FGD	Focus Group Discussion
MPNDV2030	Ministry of Planning, National Development and Vision 2030

OPERATIONAL DEFINITION OF TERMS

1. Access

In this study access is generally understood as the opportunity of women to be given the women enterprise funds for their in economic empowerment.

2. Collateral

Collateral is the property that you agree to give to a bank as security in case you fail to pay back money borrowed. Over time, traditional commercial banks use land title deeds and other assets as collateral for loan borrowed.

3. Control

Means the power to decide how a resource is used and who has access to it such that none dominates the other. It shows women's control over the decision making process to achieve equality of control over the factors of production and the distribution, mobilization and utilization of their own resources.

4. Entrepreneur

An entrepreneur is a person who is able to identify a business opportunity and obtain the necessary resources to initiate a successful business activity. Women are generally engaged in varied business activities that offer services and a product as need arises.

5. Gender

The socially given roles, activities and responsibilities which are attributed to either male or female and they determine how women and men should behave in a society.

6. Livelihood Strategies

Livelihood strategies are composed of activities that generate the means of household survival.

7. Microfinance

This is a development intervention that has evolved over time to operate a commercially viable basis which aims at providing banking and financial services to the low income and poor people.

8. Sustainability

Most observers believe that for microcredit to be successful, they must be self-sustaining rather than subsidized by government or donor organizations, at least until they mature. If not self-sustaining, they become like other social programs.

9. Performance

In an age of reinventing government, management wants to keep programs on course, while effectively responding to evolving markets and client needs.

CHAPTER ONE

INTRODUCTION

1.1 Overview

In this chapter the researcher looked at the key issues that lay the foundation of the study. These include the background study, statement of the problem, objectives of the study, research questions and significance of the study, justification of the study, limitations of the study, assumptions of the study, scope of the study, theoretical framework, conceptual framework, literature review, and research methodology.

1.2 Background to the Study

In Kenya, women constitute 51% of the total population and they play very crucial roles as active contributors in the development of the economy but their contribution has been time and again limited by factors such as limited accessibility to financial services (Government of Kenya, 2003). In line with the global gender equality and women empowerment trends, the Government of Kenya as a signatory of the Millennium Development Goals (MDG) enacted its gender policy in 2002 as a tool for implementing gender equality and women empowerment plans (Government of Kenya 2002). The Kenyan government recognizes the important roles women play in its economic and general development especially in the informal sector in trade and industry. Since 2002 to date the Kenyan government has laid concrete strategies towards revamping its economy which had been performing below its expected potentials due to socio-economic and political setbacks. (ERC, 2003)

One of the strategies adopted by the government to revive the economy has been the strengthening of the micro and small enterprises (MSE) in the informal sector through

the establishment of the national micro finance policy and increasing accessibility to financial services to the disadvantaged category of the population like women (Government of Kenya 2006) with the aim of reducing the gender gaps in participation in productive sectors for the ultimate reduction of poverty and improved wellbeing of all citizens. The Department of Gender and Social Services (DGSS) of the Ministry of Gender and social services (MGC &S) is the arm of the government mandated to coordinate the mainstreaming of gender issues in national programs. The government of Kenya recognizes the role women play in contributing to the economic growth and the constraints they face that limit their capacity to fully exploit their potentials in all sectors of development. Limited access to financial services has been identified by the women and the government as the one of the main limiting factors the active participation in all aspects of development. To address the needs of women and reduce the existing disparities between men and women, the government of Kenya initiated a fund known as the Women Enterprise Fund (WEF) in 2006 (Republic of Kenya, 2006). The main aim of establishing the fund is to enable women access the necessary financial services for the development of their enterprises and ultimately reduction of poverty levels. However, the report of the rapid assessment of January 2009 carried out in the selected regions of the country including Bungoma revealed that the majority of the women are not able to access WEF (Republic of Kenya 2009). The researcher therefore carried out this study with the expected output of coming up with recognized factors that are contributing to the constrained and limited access to the WEF for the majority of its expected beneficiaries.

This study is also very important since the vision, mission, objectives and the plans of WEF are all geared towards facilitating equal opportunities for the participation of men

and women alike in aspects of developments in order to reduce gender disparities in various development programs and activities. The Third Millennium Development Goals (MDG) is the realization of Gender equality and empowerment of women. The concern of gender equality and empowerment of women has become a global gender issue in order to address the existing differences arising from the socially constructed relationship between men and women which affect the distribution of resources between them and cause many disparities in development outcomes (World Bank, 2008). In many parts of the world for example, sub-Saharan Africa and South Asia, 75% of agricultural producers are women. Women also play active roles as traders, processors and entrepreneurs despite facing many obstacles as compared to their male counterparts (World Bank 2007).

The World Bank (2001) documented that ignoring gender inequalities comes at a great cost to people's well-being and countries abilities to grow sustainably and thereby reduce poverty. Among the many poor in Kenya, women bear the blunt of it, reducing its impact as well as breaking its vicious circle requires a concerted effort and a gender perspective in all the interceptive strategies. Poverty alleviation has been largely as a result of overall economic growth and improving the living conditions of people who are already poor. Thus the linkage between rural poverty and Women Enterprise Fund is necessarily a close one but the full potentials resulting from this linkage cannot be realized unless the poor's capacity has improved; they have equitable access to those funds and are better able to sustainably manage their finances or income base. The poorest and poverty reduction have become the object of unprecedented attention at international summits in the 1990's Canada through the Canadian International Development Agency (CIDA) which supports national governments, local authorities

and citizen organizations in their efforts to tackle poverty and inequality and provide a basic roadmap for development.

At millennium declaration conference in 2000, nations made a promise to free people from extreme poverty and multiple deprivations, the 8 MDGs goals are to be achieved by 2015 as a responds to the world's main development challenges. Recently, the Kenya government elaborated a new development blueprint, the Vision 2030 that aims at making Kenya a newly industrialized, middle income country providing high quality of life for its citizens by the year 2030 through its Economic Social and Political Pillars developed through an all-inclusive and participatory stakeholders consultative process the vision is based on three “pillars”: the economic, the social and the political the fund is being a flagship project in the Vision 2030. Securing property rights to land, the largest asset for most societies is vital to their economic freedom and the key to reducing poverty as it increases poor people’s wealth, in some cases doubling it. With particular reference to women not owning land in Kenya, this study argues that under customary law, women’s rights to own and inherit property are often limited and secondary to those of men. As a result, women who become widows are disproportionately likely to lose their homes, land, and other assets placing themselves and their children at risk of destitution and exploitation.

1.3 Women Enterprise Fund and Poverty alleviation

Women Enterprise Fund (WEF) is a state initiated Programme which started in 2006 but officially launched in 2007. WEF is coordinated by District Gender and Social Development Officers (DGSDO) which is in charge of overseeing its success. The top management organ of WEF is composed of a Secretariat and an Advisory Board that

works closely with (DGSDO) in ensuring the delivery of the benefits of WEF to the intended beneficiaries. The idea behind the establishment of WEF was to reduce the high poverty levels among the Kenyan women and to also narrow the gender imbalance between men and women in matters of access to finance. The fund was also to enable the government realize the 3rd Millennium Development Goal (MDG) on “gender equality and empowerment of women”. In recognition of the critical role women play in socio-economic development, the WEF has been identified as a flagship project under the social pillar in the Vision 2030. It is expected that the fund will play a catalytic role in mainstreaming women in the formal financial services sector (WEF, 2009).

WEF thus started with the ultimate aim of empowering women to reduce poverty levels among the poor women. WEF operates its capital using two channels: The larger part of the capital is placed as funds under the management of the reputed 12 government contracted MFIs country wide. The smaller part of WEF is channeled through the country wide grassroots structures known as the Constituency Women Enterprise Fund Committees (CWEFC) under the supervision of the ministerial staff headed by the District Gender and Social Development Officers (DGSDO) who are spread all over the country. In the so-called MFI channel, the capital is converted into individual loans to eligible women at a low cost 8% interest rate per annum calculated over declining balance and in the ministry channel even lower costs loans are provided to eligible groups at zero interest rate and a one-off 5% administration fee. The GOK introduced the WEF to empower women to be able to borrow money at reasonable interest rates without the requirements of cumbersome sureties and other bureaucratic quagmires to engage

more in business & development of themselves, their families and the country distribute wealth across various social groups, youths, and women (WEF, 2009).

However, five years after its official launch, it is not well understood to what extent the provision of the fund is contributing to the economic growth and improving the livelihood of poor women in Rural Kenya. More specifically, it is unclear to what extent the fund is supporting new and innovative business ideas that often do not get support from the more conventional financial institutions this dimension is critical as a key driver for WEF growth and development, yet it has not been given due consideration by financial institutions as it is considered risky. The principal objective of the WEF is economic empowerment of women by provision of alternative financial services to women who are excluded from the formal and informal financial sectors by providing accessible & affordable credit to support women start and/or expand business for wealth and employment creation. WEF loans reach the target beneficiaries through partner's financial intermediaries (FI) and directly through Constituency Women Enterprise Scheme (CWES) (Rapid Assessment of WEF, 2009).

One of the major United Nations Millennium Development Goals (MDGs) & vision 2030 is the realization of Gender equality and empowerment of women which has become a major global agenda in order to address the existing differences arising from the socially constructed relationship between men and women which affect the distribution of resources between them and cause many disparities in development outcomes (World Bank, 2008). In many parts of the world Sub-Saharan Africa and South Asia, 75% of agricultural producers are women. Women also play active roles as traders, processors and entrepreneurs despite facing many obstacles as compared to their

male counterparts (World Bank 2007) that ignoring gender inequalities comes at a great cost to people well-being and countries abilities to grow sustainably and thereby reduce poverty. In Kenya, although women constitute 52 percent of the total population majority of them have been excluded from the formal financial services hence cannot engage in a meaningful entrepreneur.

1.4 Statement of the problem

Despite the existence of many (microfinance institutions (MFI) and other financial intermediaries (FI) which have been lending their services for the last two or so decades in Kanduyi Sub County, accessibility by most of the majority of the women to financial services is limited, mostly attributed to the fact that women as compared to men do not inherit properties from either their parents or their husbands due to social and cultural practices referred to here as gender biasness which have led to lack of equal opportunities in education and employment opportunities, lack of enough income to acquire their own collaterals just to mention but a few. It is against this backdrop of financial constrains that WEF was instituted with the aim of availing opportunities specifically among the women in accessing the financial services to uplift their standard of living and ultimately reduce poverty levels nationally. The research problem addressed in this study is if women enterprise fund is capable of alleviating poverty in rural Kenya especially among the poor women. Poverty and cultural prejudices are some of the main challenges facing the population in the study area. The majority of the poor populations are women who form 60% of the vulnerable youth and the disabled (ERS, 2003).

The existing commercial credit institutions cannot offer credit to these categories of the population because these financial institutions require very high collaterals based lending like Land Title deed, Log Books and others that the women do not have. To address the problem of lack of access to financial services specifically amongst women the Government of Kenya set up the WEF in the year 2006 to enable accessibility of financial services to women towards the running of their enterprises owned either by groups or individuals entrepreneurs of women. The basic consideration by government of Kenya (GOK) for establishing WEF is to support women to have access to affordable capital to develop their entrepreneurial activities into thriving businesses to sustain themselves and improve their standards of living. (Republic of Kenya, 2006). The objectives of the WEF besides facilitating credit delivery to qualified women clients also aims to address gender related obstacles and challenges to an equitable development of the country.

In general all the above specific objectives are meant to extend the social inclusion in the general development agenda of the government of Kenya (GOK). The rapid assessment study report on WEF indicated that the majority of the women, most of whom are poor are not accessing the services of the (Fund GOK 2009). It is therefore important to identify and analyze the various factors that contribute to the limited accessibility of the services of WEF by the majority women since no such specific and in depth study has been carried out in the constituency before. The crucial indicator for the success of the Government's integrated strategy on the promotion of entrepreneurship and small enterprises is the continued creation of new startup funds for devolved funds. The most significant issue perhaps, is that governments spend money rather than manage assets,

they allocate budgets to departments on an annual basis, collect tax monies to finance these budgets, deplete these budgets and then restart the same cycle again especially for initiatives and growth of businesses by targeted segments of society and in all corners of a country resulting in the improvement of economic and social wellbeing of the poor communities.

The big question is the sustainability of these programs since WEF is performing various distinct functions simultaneously, First is the spending responsibility: budgets have been allocated and there is corresponding pressure to allocate resources timely and in line with their destination. Second is the asset management or investor responsibility: most of the funds are transformed from grants to capital and made available to microfinance operators who have to return the capital in due time, when it is transformed back to public sector income awaiting a new destination. Thirdly, a retail lending responsibility through departmental lines, essentially entrusting public sector employees with loan officer duties that are usually associated with private or civic sector players. The study therefore sought to address the various scopes of women owned enterprises that have benefited from the Fund (Rapid Assessment Report WEF, 2009)

1.5 Objectives of the Study

The Main objective of the study is to examine the effect of Women Enterprise Fund in poverty alleviation in rural Kenya.

- i).To examine the process involved in accessing and managing the fund.
- ii) To identify the challenges faced in utilization of the Fund by the target beneficiaries.

iii) To assess the funds effectiveness in poverty alleviation by the target beneficiaries.

iv) To suggest ways of enhancing usage of the fund by the target beneficiaries.

1.6 Research Questions

1) What is the process of accessing the fund?

2) What are the challenges in utilization of the fund?

3) How effective is the fund in alleviating poverty?

4) What is the way forward?

1.7 Justification of the study

The purpose of the study was to assess the performance of Women Enterprise Fund (WEF) and to determine its impact on poverty alleviation among the poor women of rural Kenya. The study sought to address four key research objectives: (1) determine the extent of progress of enterprises that have benefited from the Fund; (2) identify the benefits and economic empowerment services available to the women entrepreneurs; (3) examine the challenges that the Fund has encountered and determine how these can be addressed and; (4) make recommendations on the policy measures that the government should put in place to enhance the quality, service delivery and sustainability of the Fund.

1.8 significance of the Study

The result of this study will produce information that will bring an understanding on the challenges faced in accessing WEF services channeled through MFIs and CWFEC by showing the key constraints limiting the accessibility by majority of rural poor. The research will also act as literature review for the future academicians who may write further research papers on related topics. Other development practitioners may use the recommendations there to either initiate or improve on similar programs. All the players in WEF will use the research results and recommendations as learnt lessons to review their plans and activities with the objectives of coming up with the best practices in their various roles in influencing the access to financial services of WEF. The report may be used by planners for future reference when reviewing the existing policy on devolved funds. The result of the research may generate information that contributes towards achieving some of the key pillars in the Vision 2030 and MDGs of eradication of extreme poverty and issues to do with gender and women empowerment. The findings from the study is of importance to the WEF National Secretariat and its Advisory Board in establishing the issues that exclude the majority of the intended beneficiaries from accessing the WEF benefits and what strategies may be employed to improve the situation. Lastly the general public might benefit from the findings of the study for their general awareness and understanding on the operations of the fund.

1.9 Limitations of the study

The study sample was biased by interviewing more women than men because WEF is basically a women's affair and the problems to be identified are women specific. However efforts were made to interview a few 20 men for the purpose of examining the

types of constraints that would influence men towards accessing the financial services. Due time a limited number of only few MFIs and financial institutions were visited and interviewed during the study. The sample size for the study was restricted to allow for a detailed extraction of data within the available study period. It was not possible to visit all the key informants who had been scheduled for the study as some of them had frequent meetings and conferences; however every effort was made to get most of the necessary information from key stakeholders that were available.

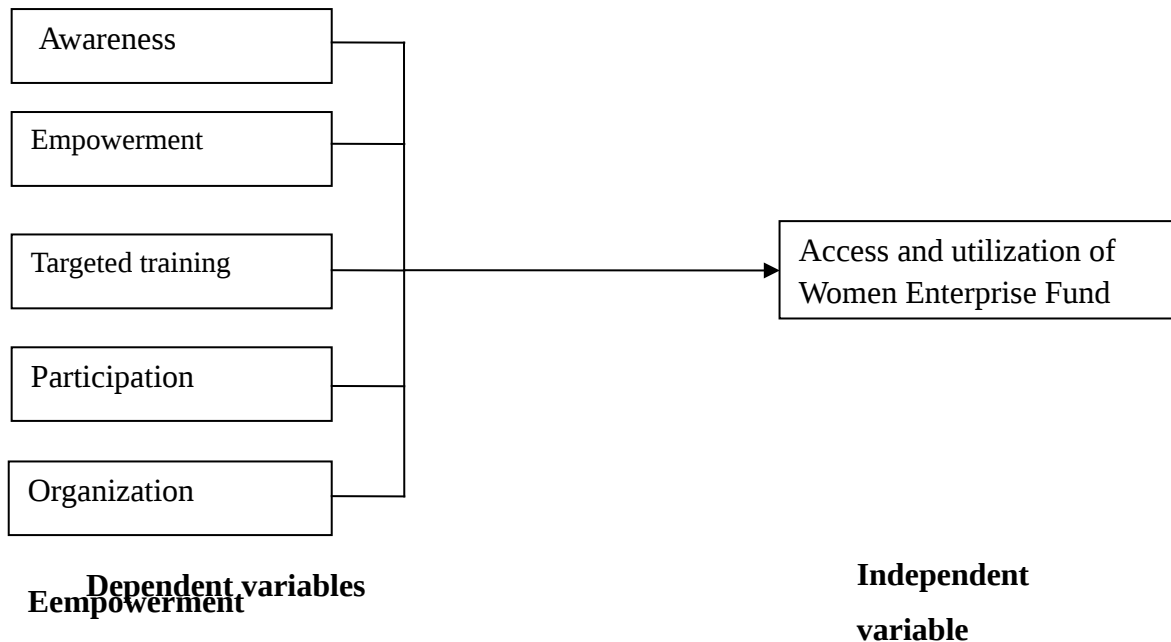
1.10 Scope of the study

The scope of the study was restricted mostly to women in enterprises and registered groups. The study focused on examining factors that influenced access and utilization of fund by the women entrepreneurs. The study provided an assessment of the fund as a strategic move towards addressing poverty alleviation through socio-economic empowerment of women in rural areas. The fund was also evaluated against three objectives: financial sustainability, extent and depth of outreach and impact of main indicators being access, utilization and management of resources and or participation in decision making of enterprise development. As much as it's a good strategy little information exists on how it is contributing to alleviation poverty in rural areas and improving the livelihood of women in rural Kenya. More specifically, it is unclear to what extent the Fund is supporting new and innovative business ideas that often do not get support from the more conventional financial institutions.

1.11 Theoretical Framework

This study was guided by the capabilities approach of Amartya Sen.'s welfare approach which refers to the microeconomic concept of utility. This approach consists in practice of comparing the economic welfare or standard of living of households or individuals. The rural populations are economically backward and lack the means for all season's livelihood. A substantial body of literature exists on the issue of growth and poverty, often associated within equality. Until very recently, many economists believed that growth was necessary and sufficient to reduce poverty by increasing trade which promotes growth. Poverty remains ambiguous. For the purpose of our analysis in this study, the researcher adopted the Meier (1983) definition of the concept. 'Powerlessness those who lack the opportunities and choices open to them and whose lives seem to be governed by forces and persons outside their control people in positions of authority who were perceived as evil forces. The study aims to focus on the beneficiaries of the Women Enterprise Fund to determine to what extent it is achieving its objectives while addressing the challenges women enterprises face at the rural areas

1.12 Conceptual Framework



Source: Author (2014)

The researcher conceptualized in the study that strategies used by women in solving their constraints and poverty can only succeed if they were geared towards attempt to change the dependence trends that society associates with their status through economic empowerment. The study aims to focus on the beneficiaries of the WEF to determine to what extent it is achieving its objectives, while addressing the challenges women enterprises face in the rural areas. Focus on implementation of the fund, support to women entrepreneurs, and identify gaps that need to be addressed to make the fund effective in alleviating rural poverty by empowering women. The research framework adopts the conception that WEF act as tool formed to help fight high poverty levels particularly among the women majority of who have either no ability or limited ability and capacity to access funds from formal commercial banks and other financial institutions. Accessibility of financial services like credit and savings are considered very

key for women and men alike in empowering them to run their own enterprises in the efforts to improve their livelihood strategies for the ultimate reduction of poverty. However due to constraining factors in the condition in which WEF is operated, majority of the women are excluded from accessing the benefits of the fund due Political, Economic, Socio-Cultural and Technical (PESTE)

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This Chapter reviews the literature on poverty reduction strategies and women enterprise fund as a policy tool for pro-poor growth. The main issues reviewed relate to the concept of women enterprise fund, rural poverty and economic empowerment, reasons for persistence poverty, challenges of women enterprise fund and way forward in mitigating the obstacles, the sustainability of the fund in its efforts of poverty alleviation, lessons learnt on devolved programs in Kenya and knowledge gap. A critical review as well as a summary of major lessons is done at the end of this chapter.

2.2 Importance of Women Enterprise Fund to Women

Women are the backbone of Kenya's economy and they complement the male folk in the country's socio-economic development. Improving the productivity of women is therefore a social objective to advance economic development and also towards investment in food, healthcare, and schooling of children. To realize the full potential of women, they must access credit and loan programs since credit for both men and women is an important dimension of plan. According to FAO (2000), women account for 70 per cent of the world's poor and supporting equal access to finance for women is essential .Credit facilities enable them to tap financial resources beyond their own and take advantage of potentially profitable investment opportunities .As such, micro-finance sector has proved to be a viable

intervention point to assist women start sustainable projects that improve their livelihoods and towards ending poverty and therefore increasing their ability to economically independent. WEF is premised as a key strategy for simultaneously addressing both poverty and women's empowerment and as a strategic move towards addressing poverty alleviation through socio-economic empowerment of women.

The fund is intended to facilitate enterprise and development initiatives among women through revolving loan disbursement to individuals and groups with minimum conditions. The economic enterprise in most rural areas are agriculture and cottage based and women account for more than 90% of labour resource with earnings of less than 40% of output with society expecting them to bear more than 120% of household expenditure. Although women constitute 52% of the total Kenyan population, majority of them have been excluded from the formal financial services for example, few have bank accounts, can access loans, money transfer services, etc. Concerted initiatives have therefore been put in place by various agents such as the African Development Bank (AFDB), the International Labour Organization (ILO), the International Finance Corporation (IFC), the World Bank and more recently the GOK to address impediments to women's active involvement in the productive economy and more specifically to support women's entrepreneurship and tap into their potential for growth.

The increasing role of women in the world's economy in the developing countries is undisputed (Stevenson. & St.Onge 2005 b) the state of women in enterprise development, the starting and growing of individual enterprises is a

major concern among governments in most countries. One of the global impetuses in developing countries was the United Nations Decade for Women (1976-1985). In 1979, the General Assembly of the United Nations adopted the International Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and this paved the way for greater government attention everywhere on the role of women in development programs and on strategies for eliminating discriminatory practices against women. There can therefore be no doubt that female entrepreneurship should be encouraged and the question of how to integrate women effectively into development projects was more systematically researched and the objective of development policies became more focused on how to increase women's access to education, skills training, credit, land and resources.

2.3 Women Enterprise Fund and Poverty Alleviation

According to project progress report WEF, 2009 the Women Enterprise Fund provided loans to 170,307 women across the country during the 2011/12 financial year and since inception in 2007/8 a total of 484,245 women have received loans. The Fund continues to train women in key areas; during 2011/12 115 were trained in entrepreneurship, and 310 in export trade. Fifty (50) women have been facilitated to participate in international markets .The fund has been able to extend loans to women amounting Ksh 2.6B to over 645,825 women entrepreneurs. Equally to date the Fund has trained 116,372 women in loan management and business skills. On the marketing front the Fund has continued to promote local and international marketing of goods and services produced by

women entrepreneurs. Most of the women are not in formal employment and some run small scale business which include; roasting of green maize, selling some cereals, hawking.

Some of the challenges that face the WEF include; unfavourable policy environment exhibited with weak implementation framework and poor monitoring framework, inhibitive legal and regulatory environment, limited access to markets, limited access to affordable financial services, inadequate access to skills and technologies, limited access to infrastructure, inadequate business skills, limited commercial linkages, gender inequality, unfavourable taxation regimes, entry barriers and HIV/AIDS (WEF,2009). There is a great deal of gender segregation of women in informal sector with women dominating in food processing, hairdressing, dressmaking, and retail of second hand clothing, which are generally low value businesses while men dominate the higher value businesses in metalwork, carpentry, vehicle repair, shoe making, construction, transport and IT-related businesses. An ILO (2008) study in Kenya supported these findings and showed that 82 percent of women enterprises are in trade and services while only 0.8 percent is in manufacturing and 6 percent in agricultural business.

Poverty is one of the most enduring challenges hindering development in Kenya as in most developing countries. Kenya has an estimated population of 40 million people consisting of 52% women and 48% men with per capita income of US \$ 260 (ERS, 2003). Kenya's economic performance since the 1980's has been below its potentials due to a number of factors which include mismanagement of

the resources, structural adjustment programs, the impact of HIV and AIDS, and gender discrimination, among others (Republic of Kenya, 2005). Poverty levels in Kenya currently stand at about 48% of the county's population (Republic of Kenya, 2007). The majority of the populations affected by this economic downturn are women, the youth, children and other vulnerable groups. In an effort to resuscitate its economic growth the government through the Economic Recovery Strategy policy has put in place economic measures that include the establishment of micro finance policy which embraces the coming into play of microfinance institutions as tools for engineering the poverty reduction initiatives (ERS, 2003).

2.4. Why Focus on Women Enterprises

Many women support themselves and their families through the income they receive from their entrepreneurial activities, making supporting women's entrepreneurship important to family well-being. Women's entrepreneurship thus makes an important contribution to the economy and thus to development. Other rationales for supporting women's entrepreneurship involve efficiency and empowerment arguments. Women can gain confidence, self-esteem, decision-making experience and a greater sense of control over their lives in social and economic spheres through starting and managing a business. This can benefit both women and their families (Kantor 2001). Moreover; some women may find it increasingly difficult to find a niche in the employment market of the new ICT-related economy. Such victims of downsizing or economic reengineering can use their skills in entrepreneurial ventures. There is thus a strong

case for promoting female entrepreneurship in times of economic re-structuring (Day-Hookoomsing & Essoo 2003).

Other supportive reasons include the fact that women business owners are more likely to hire women employees. Silver (1994) in his book, "Enterprising Women", states: "Women-owned businesses become the training grounds for female employees to leave and launch their businesses, which create an ever-widening circle of women hiring women to solve problems that affect women." A study undertaken by Mauritius' Ministry of Women's Rights, Child Development and Family Welfare in 1997 confirms this trend. There can thus no doubt that female entrepreneurship should be encouraged. However, many women entrepreneurs are operating in more difficult conditions than men entrepreneurs. The constraints that impede all entrepreneurs such as political instability, poor infrastructure, high production costs, and non-conducive business environment, tend to impact more on businesswomen than businessmen (Stevenson & St-Onge 2005b). Women tend to have different needs than men regarding entrepreneurship support, women often need different loan products usually need savings products as much as they need loan products and MFIs do not offer savings product. If these differences are not recognized in Programme design and implementation, women are unlikely to benefit and may be less able to sustain and grow their enterprises (Kantor 2001).

Most women owned enterprises start at the micro-level and do not grow beyond five employees, if they grow at all. (Marcucci 2001; Stevenson & St-Onge 2005b). So the challenge in Africa is less about trying to increase the number of women entrepreneurs but more about how to legitimize and strengthen the base of their activity so they can grow their enterprises (Kantor 2001). These previous studies on

women entrepreneurship in Africa all make the case for supporting women entrepreneurship and document the challenges facing them, with a particular emphasis on growth issues, such as expansion of their product and market bases; increase in employment; improvement in employment conditions; progression from ‘informal’ to ‘formal’ status; and growth from micro to small to medium size. The anticipated outcomes of these studies has been to identify policies, programs and actions which could have a direct and positive impact on creating new enterprises and jobs in both new and existing women-owned enterprises. The current study takes this discussion further by examining the initiative taken by the Kenyan Government to establish the Women Enterprise Fund in response to women entrepreneurship challenges.

2.5 Women Enterprise Fund’s Objectives

The WEF has formulated five specific objectives, captured in the Guidelines for the Women Enterprise Fund, issued by the Permanent Secretary of the Ministry of Gender, Children and Social Development. (Government of Kenya 2009)

1. Provide loans to established microfinance intermediaries such as MFIs and NGOs.
2. Support capacity building of the beneficiaries of the fund and their institutions.
3. Attract and facilitate investments in micro, small and medium enterprises oriented commercial infrastructure such as business markets or business incubators that will be beneficial to women enterprises.
4. Support women oriented micro, small and medium enterprises to develop linkages with large enterprises.

5. Facilitate marketing of products and services of women enterprises in both domestic and international markets.

2.6 The Main Actors in the Women Enterprise Fund

The WEF is a multifaceted poverty eradication organization. The first actor is the Ministry of Gender, Children and Social Development whose role is formulation of the policy, monitoring and evaluation of the program. The second actors are the MFI and commercial Banks which include; Kenya Women Finance Trust (KWFT) targeting women only, Kenya Rural Enterprise Programme (K-rep), Family Bank, Small and Microfinance Enterprise Programme (SMEP), Cooperative Bank of Kenya, Kenya Industrial Estate). The role of these banks and MFI is to act as channels through which the WEF is given to the clients. The third actors are the Constituency Women Enterprise Committee which is at the grassroots structures created in every constituency all over the entire country for intended beneficiaries to apply for the loans from the MFIs. (WEF, 2009)

2.7 Terms and conditions of the women enterprise fund to qualify for the eligibility criteria are as follows: (WEF, 2009)

1. Age bracket of 18 years and above
2. Female Kenyan
3. Intention of investing in income generating activities
4. The group must be fully registered and have been in existence for at least 3 months
5. The fund is a loan and therefore must be repaid after 3 months grace period.
6. The group must be having an active bank account which has been existence

for at least 3 months.

7. The group must be recommended by the local gender and social development officer or the secretary to the Constituency Committee Women Enterprise Fund. At least 70% of the members of the group must be women and leadership must exclusively be women.

8. The applicants of the fund must submit an application which must be subjected to rigorous financial assessment by the (C-WEFC).

2.8 Micro Finance Institutions (MFI)

A component of the funds is disbursed through microfinance institutions. WEF Secretariat is responsible for identifying the appropriate financial institutions through which to channel funds (WEF, 2009).

Selection Criteria of Financial Intermediaries

1) Minimum qualification for funding

- (a) Clean audit report of the FI from the WEF internal audit and credit departments (if existing), on such areas as timeliness in submitting interest repayment, quality of quarterly reports, right targeting and ability and willingness to revolve funds.
- (b) Have women friendly products or programs.
- (c) Outreach in funds disbursement this includes both geographical spread and number of beneficiaries reached.
- (d) Financial position and performance for the last 2 years
- (e) Level of automation a robust system
- (f) Personnel and management must be gender responsive (management to exhibit gender balance) and have sufficient experienced credit officers.

(g) Must be filing annual returns

(h) Must demonstrate ability to pledge marketable collateral securities

2) Checklist to Facilitate Evaluation

The financial intermediary must submit a letter of application. Due diligence is conducted by WEF officers, and the institution should also submit a Credit Reference Bureau Report. Additionally, a company profile detailing the age, products and services, area of focus, list of branches, organizational structure, staff establishment and relevant experience /qualifications etc. is required, as well as audited accounts for the last 3 years. For SACCOs, they are also required to demonstrate borrowing powers from the Ministry of Cooperative Development and Marketing.

2.9. Proposal Evaluation Guidelines for Groups

1) Basic Requirement for Groups

a) Registered with the Ministry of Gender, Children and Social Development, the Attorney General Chambers and other appropriate authorities for at least three (3) months before applying for the loan.

b) Based and operating within the Division.

c) Undertaking/proposing to carry out business oriented activity.

d) Operating an active bank account.

e) Recommended by the local Gender and Social Development Assistant or the Secretary of Divisional Women Enterprise Fund Committee.

2) Conduct of the Group

The District Gender and Social Services Officer must ensure that:-

The conduct of the group members in particular the leadership, is beyond reproach;

The group has not been involved in any financial irregularity/mismanagement before;

The group members are women and men in line with the guidelines. The Original National Identity Cards of members must be produced to facilitate certification by the Gender and Social Development Assistant or the Secretary of Women Enterprise Fund Committee;

4) Amount of Loan Maximum first loan tranche from the Women Enterprise Fund Scheme payable to any group must be capped Kshs.50, 000 first loan, second is Ksh 100,000 & third loan is Ksh 200,000. For subsequent large amount they had seek group's permission.

2.10 Challenges Encountered by the Fund

WEF interests have been either superseded by national plans where the focus is on stimulating growth, or have been distanced from the start from influence on key government decisions due to its incomplete incorporation into budget processes. Countries tend to have their own approaches to policy in Kenya the 10 and 5 year socioeconomic development plans and the annual planning process with its associated national targeted poverty programs, provincial plans and budgets the National Development Plan, Economic Growth Strategy has been developed subsequent to the WEF. They have not always been effectively incorporated into budgeting and programme implementation processes into legislative approved programs. They have been very much seen as requirements of the aid donors to be completed to obtain debt

relief under the Enhanced HIPC initiative. Ownership has been further undermined when governments have changed; Incoming administrations have seen the WEF as the project of the previous regime, to be replaced by a new plan with the priorities of the new government. Another reason for the weakening role of WEF has been doubts within countries that the WEF did not address economic growth strongly enough or indeed that it failed to establish the necessary links between economic growth and poverty reduction. (WEF, 2009) Most line ministries and their staff are not experienced in these areas. Economic growth is the first concern of the new plans and programs with poverty reduction as a secondary consideration. In this they presumably reflect the priorities of national elites and governments and no economic growth strategy is explicitly pro-poor although as discussed below the approach to poverty reduction may be questioned. What is the economic logic of having a myriad parallel local development funds, namely YEDF, Local Authorities Development Action Plan (LASDAP), District Development Committee (DDC), UWEZO fund and Constituency Development Fund (CDF)? It was felt that Local Authorities had enough networks and a well-established infrastructure to oversee grassroots development and distribution of the fund.

2.11 Fund Allocation

The fund is disbursed through two operational channels (i.e. the MFIs as financial intermediaries and the Constituency Women Enterprise Fund Committee-CWEFC). The bulk of the WEF capital is channeled through the government contracted MFIs channels namely K-rep, Cooperative Bank, Family Bank of Kenya, Kenya Industrial Estate, Kenya Finance Trust, and Small and Micro-enterprise program in order to

develop and market special loan products to individual clients. The remaining part is channeled in the form of wholesale loans to women groups affiliated to the ministry through the Constituency Women Enterprise Committee. The WEF has developed two main operational channels. The larger part of its capital is placed as funds-under-management with reputed Kenyan microfinance institutions and banks whereas the smaller part is directly distributed through the channel of the Ministry of Gender, Children and Social Development. In the so-called MFI channel the capital is converted into individual loans to eligible women at low cost (8% interest rate per annum calculated over declining balance) and in the Ministry channel even lower cost wholesale loans are provided to eligible groups (zero interest and a one-off 5% administrative fee).

2.12 Critical review of literature

Women Enterprise Fund development agenda should have broader mandate that focuses on women especially the poor and the needy who do not qualify for this funds for economic empowerment as opposed to being shaped by current development strategies. Women's capacity is enhanced through enterprise development responsive to the women's economic, civic, cultural, and social capabilities. The approaches used in development involve two broad categories: the government and private sector driven interventions. It is impossible to find the two interventions in their pure form as public and private interventions often overlap. These multiple approaches unavoidably create co-ordination problem and complicates the monitoring and evaluation of the programs. As a result, the number of studies on women entrepreneurship programs is very limited and mostly inconclusive. Further studies

and impact assessments are needed in order to establish which approaches are efficient and sustainable.

2.13 Summary of literature

In this chapter, the researcher has looked at institutional strategies in women enterprise fund for economic growth and development and also examined key concepts of women participation and empowerment. It was observed that real participation leads to empowerment through economic growth and development having influence not only on their activities but wider societal programs. The Fund focuses on women empowerment as a key strategy that will increase economic empowerment and opportunities for social development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter deals with a description of the methods applied in carrying out the study, the study area; the research design; the target population; the sampling technique how a representative sample was derived from the population; methods for data collection procedure, processing, analysis and presentation; a test of research instruments validity and reliability; and lastly ethical issues that guided this research exercise.

3.2 Area of study

The study was carried out in Kanduyi constituency of Bungoma County, Kenya. Kanduyi constituency is 210.8 sq.km areas with constituency population: 229,701 comprising of Bukembe East & West ward, Khalaba ward, Marakaru ward, Township ward, West & East Sangalo ward, Tuuti ward, and Musikoma ward. It lays between latitude 0.566700, longitude 34.566700 Bungoma (ministry of planning, 2010)

3.3 Research Design

A case study approach was used because it was the most appropriate for the collection of primary data of a small sample which took into consideration the limited time in which the researcher was to conclude the study. The researcher chose the case study approach because the research was focused on one specific organization and enabled the researcher carry out in-depth data for detailed information and also appropriate since it allowed triangulation of research tools that enabled the researcher to check the

reliability of the data collected. It enabled the researcher to collect comprehensive, systematic and in-depth information about the fund, its access and utilization for detailed analysis. Besides, the case study was appropriate since the study aimed at collecting information from respondents on their attitude and opinions in relation to WEF. Lastly the results would draw generalization of the findings among women owned enterprises and provide a framework for conducting an extensive survey. .

3.4 Research instruments

Instruments used to collect data were questionnaire, interview schedules, photography, focus group discussions, checklists and open ended questions. The study was conducted using a mixed method paradigm comprising qualitative and quantitative approaches. Questionnaires were used to collect data on demographic profile of the entrepreneurs, profiles of the enterprises, details on policy framework, other business development services required, indicators of firms' growth and innovation and entrepreneurial skills of the respondents. The data collected was both qualitative and quantitative. As advanced by Cooper and Schindler (2008), a quantitative method was selected to allow for the generalization of the findings among women owned enterprises and provide a framework for conducting an extensive survey. A qualitative method was used to collect data on challenges experienced by the entrepreneurs, perceived extent to which the Fund was assisting growth and dealing with challenges. The qualitative approach allowed the respondents to tell their story' thus giving the researcher an opportunity to probe and seek clarifications as they interpret the findings accurately (Yin, 2009). The multiple realities that emerged

as experiences of the entrepreneur were studied holistically to uncover relationships and contextual experiences that impact on enterprise growth.

3.5 Target population

The study targeted women aged 18 years and above from the rural Kanduyi sub-County who were organized and registered as Self Help Groups / Support groups or as individuals or companies owned by women. Men were included in the respect that the fund does not discriminate any gender provided that 70% of members are women who also hold all leadership positions. The primary target populations for the quantitative data were women entrepreneurs who had accessed the WEF loan either from the Constituency Women Enterprise Scheme (C-WES) or Financial Intermediary (FI) stream. The study also targeted respondents drawn from members of the Constituency Women Enterprise Fund Committees (CWECs), managers of lending Financial Intermediaries (FIs) in the selected constituencies and WEF managers at the regional and headquarter offices.

3.5 Sampling

Requests were made to WEF volunteers in the CWES offices to provide lists of the women entrepreneurs, their contact details and business location. The lists formed the sampling frame. While Kanduyi sub-county had been purposively selected; entrepreneurs who had benefitted from the WEF loans were randomly selected. Each of the first 7 areas was allocated a fixed quota of 71.

The Purposive sampling and specifically judgmental sampling was used in selecting the firms and respondents that had the relevant information. (Creswell 2003) noted

that the use of judgment sampling is justified when only a small number of sampling units are in the universe and simple random selection may miss the more important elements; whereas judgment selection would certainly include them in sample. The study focused on defined purpose with small research units. The purposive sampling allowed the picking of interview objects that fit the focus of the study (Osuala, 2001). The study was conducted in seven purposively selected divisions in rural Kanduyi constituency. The target areas were; Bukembe, Kabula, Sangalo, Kabuchai, Milo, Khaoya and Bulondo. Within the constituency 7 divisions were purposively selected based on the estimated populations to include those with higher population densities, and a large number of WEF beneficiaries. Requests were made to WEF volunteers in the CWES offices to provide lists of the women entrepreneurs who had benefitted from the WEF loans who are the key decision makers in their contact details and business location. The lists formed the sampling frame. While areas in the constituency had been purposively selected, entrepreneurs in the WEF were randomly selected. Each of the first 7 divisions was allocated a fixed quota of 71 while the 3 most densely populated had quotas of 72 each. Respondents were then randomly selected from a constituency list. A total of 270 out 500 respondents were targeted who completed questionnaires were returned. Of the 20 respondents contained data from male entrepreneurs who had benefitted from the WEF loans. The net sample used was 250 women entrepreneurs, constituting 50 percent of the target sample. Purposive sampling was used to select Kanduyi constituency as the study site since it has the largest number of registered women groups and entrepreneurs who had accessed the fund. Using stratified sample, random sampling technique was used and a sample size of 270 out of 500 was generated from the list requested from WEF

volunteers in the CWES offices at the social services offices in Bungoma south who provided a list of the women entrepreneurs, their contact details and business locations. In total a size sample of 270 out of 500 were interviewed as shown in the table below:

No.	Location	Target Population	Sample size
1	Bukembe	72	35
2	Kabula	72	45
3	Sangalo	72	40
4	Kabuchai	72	45
5	Milo	71	35
6	Khaoya	70	35
7	Bulondo	71	35
	Total	500	270

Table 1: Sample Size Distribution

Source: Researcher (2012)

The study focused on defined purpose with small research units. The purposive sampling allowed the picking of interview objects that fit the focus of the study.

3.5 Data Collection Techniques

In the field survey entrepreneur questionnaires were administered on respondents within their premises. Request for participation was sought through an introduction and informed consent on the front page of the questionnaire which was read out to each prospective respondent in a language they understood.

Individual entrepreneur questionnaires were administered by two research assistants in each area. On average, it took 45 minutes to conduct an interview with one entrepreneur. The researcher visited research assistants in the field to ensure questionnaires were properly administered and accurately completed. In depth interviews and focus group discussions were conducted by the researcher. Each FGD took approximately 90 minutes. Sources used to access secondary data included books, reports, unpublished materials. The literature review supplemented the information from the field and it provided the base for data analysis. The primary data was collected using checklists and open questions, Interviews with key Informants, focus group discussions, and individual Entrepreneurs which were conducted.

The respondents were asked to give their opinions on the various topics related to the research questions. The method of self-administered interview was adopted. The researcher scheduled interview sessions with all the sampled interviewees as scheduled on the topics contributing to the limited access and utilization of the fund. The researcher personal attention to the interviews encouraged a high response and in-depth generation of data. The collection of data from the field was largely interactive, seeking as much qualitative data as possible. The researcher also used observation method which helped in interpreting the non-verbal messages expressed by the interviewees during the oral discussions and interviews and also to triangulate further for the purposes of cross checking the validity of what is said against the none-verbal expressions which were important because the researcher could gauge the attitude towards the fund. Photographs were used because they say a picture is worth 100 words.

The researcher conducted focus group discussions, in-depth interviews and questionnaires to capture the required information and data. Tools used were designed for survey questionnaire, key informants such as district women fund representative officer in social service and gender ministry(C-WES), officials handling the fund at micro-financial institutions level, credit officers and among others. Focus group discussions targeting major stakeholders were also carried out. The questionnaire (see appendix I) is designed in six major parts. These are background information of targeted women; level of organization of WEF; level of awareness as well as participation; level of access and utilization of fund and challenges and way forward for the women program (WEF). The study was conducted using a mixed method model comprising qualitative and quantitative approaches. Quantitative method was used to collect data on demographic profile of the entrepreneurs, enterprises, details on policy framework, other business development services required, indicators of growth and entrepreneurial skills of the respondents. The collected data was coded according to seven areas i.e. SA- Sangalo, BK-Bukembe, MO-Milo, etc. then entered into the database which was then subjected to SPSS computer package to generate frequencies, tables, pie charts and analyzed using descriptive statistical analysis while Qualitative method was used to collect data on challenges experienced by entrepreneurs, perceived extent to which the fund was assisting growth and support innovation among businesses for accurate findings.

3.6 Data Processing, Analysis and Presentation

The data collected during interview was summarized and coded and analyzed qualitatively. Qualitative information was summarized, grouped and ranked

accordingly noting the similarities and differences in the responses from interviews. Strength Weakness, Opportunity and Threat (SWOT) analysis tool was used to examine the external and internal environment of WEF. The political, economic, social, technological and cultural (PESCTE) analysis tool was used to test the issues from the general environment of the main actors of WEF. Harvard analytical framework comprising of Harvard activity profile was used to check gender influence on division of labour on the accessibility to the financial services. Data collected was coded as per survey area, topics, issues and entered into the designed database and analyzed using statistical package for social sciences (SPSS) for generation of frequencies, graphs and descriptive statistical analysis for interpretation of data.

3.7 Validity and reliability of research instruments

Internal Validity: Refers to the extent to which the research design and the data allows the researcher to draw accurate conclusions especially when qualitative approaches are used triangulation of the 34 methods of data collection is recommended .

External Validity: The use of real life settings, and probability sampling procedures enhanced representativeness of the sample thus improving on external validity.

Reliability: Refers to the extent to which findings can be replicated by another researcher and the stability, consistency, accuracy, dependability and predictability of research instrument (pretesting). To test the validity and reliability of the tools a pilot test of the instruments was conducted with 30 entrepreneurs (A pre-test) carried out in

Bungoma township wards of Namachanja, Mjini, Mashambani and Musikoma to validate instruments that were later used in the study. Questions that appeared too sensitive were moderated in the pre-test and ambiguous ones clarified. To test the internal consistency of the items listed on the instrument used; the Cronbach alpha coefficient was computed. Cronbach alpha is a statistic coefficient (a value between 0 and 1) that is used to rate the reliability of an instrument such as a questionnaire. This method randomly splits the data set into two and a score for each participant calculated from each half of the scale. If a scale is very reliable, respondents get same scores on either half of the scale so that, correlation of the two halves is very high.

Objectivity: This refers to the extent to which findings are free from bias. Conducting multiple interviews so as to generate themes across respondent's ensured objectivity. Spot checks by the research team also confirmed the objectivity of the data collected. The use of standardized data collection instruments also increased the objectivity of the data.

3.8 Ethical Considerations

The study was undertaken bearing in mind all ethical considerations including getting informed consent from participants, human subjects protections ensuring privacy, anonymity and confidentiality of personal information. . The researcher obeyed the interview ethics by first introducing herself and the purpose of the study, obtaining voluntarily informed consent and promising to observe the confidentiality of the participants on information given to the researcher. Participants were informed beforehand on the purpose of the study and an overview of what was expected in the process. Respondents' decision to participate was completely voluntary. Sensitive

questions were asked at the end and answers were rephrased just to check whether the researcher understood the respondent well. Permission to undertake research was also sought from the Ministry of science and technology which issues research permits for approvals, Clearance and permissions. There was no monetary or material incentives to participation; most people participated in the study because of the importance of the study, and how it would directly or indirectly affect them.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND INTERPRETATION

4.0 Overview

This chapter presented the results of the analysis of the responses made to the questionnaires schedules administered to the sampled entrepreneurs operating businesses within the rural areas of Kanduyi sub-county and the interviews administered to the project managers. The overall objective of the study was to assess

the management and utilization of the WEF in reducing poverty among the poor women in rural Kenya through social and economic empowerment.

4.1 Background information.

The Background Information included Entrepreneur characteristics such as age, marital status, level of education, household size, ownership of enterprise and access to training. Business characteristics such as registration status, business location, age of the loan/ business, amount of loan, monthly expenditure. Growth factors of total business, customer base, new business, types of business and Innovation factors such change in products, new markets of access and utilization of the fund. The Microfinance institutions (MFIs) and the Department of Gender and Social Services (DGSS) were the Key Players and were actually working as partnership in the loans distribution from WEF and their style of service delivery posed major impacts in the accessibility of the funds.

	Frequency	Percent
Valid [18 - 29 Yrs.]	3	1.1
[30 - 35 Yrs.]	51	18.9
[36 Yrs. & Over]	216	80.0
Total	270	100.0

Table 2: Age of the entrepreneurs

Source: Field Survey (2012)

Age was one of the requirements for accessing WEF stated in its terms and conditions that one had to be above 18 years. The researcher therefore , analyzed age factor as a determinant to the accessibility. The table on age is important because it shows that all the entrepreneurs were over 18 years meaning they were above the minimum age that qualified a person to get access to WEF hence the conclusion that age was not a barrier in access to the fund since all participants met the age requirement condition of access to the fund.

	Frequency	Percent
Valid Single	10	3.7
Married	120	44.4
Widowed	140	51.9
Total	270	100.0

Table 4. 3 Marital Status of the participants

Source: Field survey (2012)

The researcher studied the relationship between marital status and utilization of the fund. Of the respondents interviewed 51.9 % were widowed. They accounted for the biggest sample size. This can be explained by the fact that widows have more

responsibilities than other categories of respondents such as upbringing of children single handedly. Thus, they have more incentive to apply for the fund. This is illustrated in Table 4. 3. Married women accounted for 44.4 %. Marital status and the size of the families impacted on businesses as it meant increased responsibilities for family particularly for women who have to combine both productive as well as the reproductive work and provided some explanation for the lower profitability of women's enterprises. There is a relationship between marital status of women operating WEF businesses and growth in profits of their enterprises. Marriage was a factor in decision making whether to take funds and start a business as they had to seek permission from their husbands and inform them of the progresses. Most of the times the woman applied for funds but the men spend them and women were left to make repayments or default. The married women also had less say in starting or running a business and a less opportunity in the utilization of the funds borrowed as they used their husband's properties as securities or collaterals. The women who said they were living with their husbands said they had to inform and ask permission from

their husbands before they started their current businesses, and sought approval on the type of business and update them of the progress. The men said they informed their wives on their business but only optionally and they did not have to ask for permission from their wives to start a business although they said they just informed them.

Figure 4.1 Mwaangaza women group in milo (Bungoma) sewing blankets and shawls for income generating activity on 13th July, 2012

Source: Field survey (2012)



Levels of Education of participants and access to WEF

The findings from this study found out that women with no formal education and those who never learnt beyond primary level were more into the fund than the more educated ones as shown in table 4.3

	Frequency	Percent
Valid No Formal Education	100	37.0
Primary	122	45.1
Secondary	33	12.2
Tertiary	15	5.7
Total	270	100.0

Table 4 Levels of Education of participants and access to WEF

Source: Field survey (2012)

Focus group discussion held in Kabuchai on 15th June,2012, Kabula on 22nd June,2012, Milo on 13th July 2012, Sangalo on 27th July, 2012 and Bukembe on 3rd August,2012 revealed that this category of respondents had no formal employment owing to lack of skills that come with education so they accessed this fund to start self-employment ventures. Educated women on the other hand, had no urgent need for this fund because they were in formal employment and it was easier to get bank loans using their payroll than the many collateral demanded by MFIs for the WEF. The problem of women's limited access to extension knowledge and information services was also discussed as a factor affecting their access to financial services, understood as a part of a larger problem of male dominance and unequal distribution of productive resources and responsibilities between men and women. Education level was very important in raising awareness to creative and empowerment processes of woman with ability to participate actively. Low level of education decreased ability to comprehend and use technical information. On average, women entrepreneurs are less educated than their male counterparts and twice as likely as men to be illiterate. The

major reasons for this difference are institutional in nature. Marriage institutions discourage investment in women's education and the division of labour assigns a greater share of household responsibility to girls. The study found the educational background of the fund's target beneficiaries to be low. The study also found out that since men are more educated and aware of the fund, they write proposals to women group at a fee of 5-10 % of the amount allocated. Some of them front women as clients and utilize the loan money living women with a burden of loan repayment.

Account Opening

Only 4 of the 12 individual entrepreneurs reported having a functional bank account in one of the financial intermediaries of the WEF. The majority of the women said it was too expensive and uneconomical to open an account when one was not yet engaged in a viable business that generated regular income and pay commission to the banks for issuance of the funds. Some having an active account in one of the prescribed financial institutions is a strict requirement to enable access to the services of WEF of the MFIs forced women to open bank accounts with them and operate the accounts for about six months before they could allow them to secure loans irrespective of whether the woman had other accounts elsewhere. The majority of the MFIs seemed to favour the well to do women who are already in prospective business at the expense of poor women who are the majority and need to be helped more to start up the business. The objective of the MFIs was not to reduce poverty but to make as much sale of their own product as possible to build their own sustainable capital to stay in business.

	Frequency	Percent
Valid Salary	16	5.9
Casual Labour (domestic maids, house helps etc.)	40	14.8
Working in informal sector (Juakali) industry	56	20.7
Working on other people's land	67	24.9
Vending/ Hawking	91	33.7
Total	270	100.0

Table 4. 5 Incomes of the Entrepreneurs

Source: Field survey (2012)

According to the research findings, the majority of the women interviewed were characterized by very low level of income of less than Ksh 5,000 per month as shown in table 5. Lack of income was associated with the low employment level for the majority of women. Income level was very important when it came to access to financial services especially in credit acquisition because for the clients to access funds they were expected to give some kind of collaterals or securities to the lending institutions. The problem of lack of ownership of properties and low income level of women has hampered their access to productive resources and denied them the chances to fully participate in poverty reduction programs. The majority of the women interviewed said they could not access funds especially loans distributed through the MFI as it entailed taking the loans which

were finally controlled by their husbands who own collaterals they were expected to give to the financial institution as security. This concentration of women entrepreneurs in the low value enterprises has led to market saturation, duplication of businesses, reduced profits and little room for development.

	Frequency	Percent
Valid Male	20	7.4
Female	250	92.6
Total	270	100.0

Table 4.6 Gender of Entrepreneurs

Source: Field survey (2012)

Gender was an important factor because this particular fund was designed for women who could not afford various loans from the formal banks because of lack of collaterals and securities which are demanded for loan qualifications. The study revealed that gender biases on property ownership rights constrained opportunities for the women to acquire property to use as securities while seeking loans. Gender disparities in terms of access to education, retention in school, transition from one level of education to the other and academic performance remained one of the challenges facing women in our country in rural areas. Additionally, women's entrepreneurial development is impeded by some gender-specific constraints. The study found that women spend less time in their businesses than men because they are expected to carry out their domestic responsibilities, including housework, food preparation and childcare. This also explained why women are more likely to operate their business from the home. The study found that women only' programs often

experienced the problem that more than half of the women are fronted as clients by male relatives who upon credit extension appropriate the loan for their own purposes while the formal client remains responsible for interest payments and loan recovery without actually having the loan capital available. Nobody really knows the extent of such greedy practices on a global scale but there is growing evidence that it happens more often than MFIs may report or even know.



Figure 4.2 A photo of a member of Yulusi Young Women’s Group in Milo feeding fish in a group’s fish pond- 13th July 2012) -

Source: Field survey (2012)

	Frequency	Percent
No Formal Education	100	40.0
Primary	90	36.0
Secondary	43	17.2
Tertiary	17	6.8
Total	250	100.0

Table 4.7 Level of Education of the women

Source: Field survey (2012)

During the study, the levels of education of the respondents were explored and it was found that the educational background of the targeted beneficiaries to be low. This meant that complex project selection methods would not be applicable in the community. Education had been cited as a key determinant of earnings, self-determination and bargaining power as it improved people's ability to take advantage of opportunities and participate more effectively in improving the wellbeing. Respondents expressed sentiments that the process was rather complex and time consuming. In addition, the application forms needed to be made simpler and less tenacious since majority of the women interviewed had low level of education which decreased ability to comprehend and use technical information. The results of the study on education status of the most of the women interviewed showed that most of the women lacked adequate education and did not understand the process easily. The better educated women who got the credit remarked that it was not always easy to

write a business plan and be able to include such details like the expected profit especially when one was still at a startup stage of a business with lots of uncertainties.

	Frequency	Percent
Valid Salary/ employed	13	4.8
Casual Labour/ chances	60	22.2
Self-Employed/ own business	80	29.6
Farming family land	20	7.4
Vending/ Hawking	97	36.0
Total	270	100.0

Table 4.8 Income Level

Source: Field survey 2012

According to the research findings, the majority of the women interviewed were characterized by very low income level of less than Ksh 1000 per month. Lack of income was associated with the low employment level for the majority of women. The poor income level is very important when it comes to access to financial services especially in credit acquisition because the clients to WEF were expected to pay some kind of collaterals as security measures to the lending institutions. Results indicated that majority of the respondents interviewed agreed that they used their income from their businesses to take care of their family needs diverging the funds from the intended purposes raising high level of default because of the high dependence level. Respondents also agreed that they supported many dependents from their businesses and that family responsibilities interfered with business operations and that there were conflicts between family roles and business roles.

Of the total respondents interviewed, only few women reported to having a monthly income of more than Ksh 5,000 from jobs as alternative sources of income to subsidize the income from the business as majority of women had no credit and no other sources of income and estimated their monthly income to be less than Ksh1, 000 per month. Focus Group Discussions and interviews with individual respondents conducted in Bukebe and Kabula in Kanduyi sub-location on 3rd July 2013 revealed that Ksh 50,000 was such a meager amount to be spread among group members, some of which had almost fifty members. One woman said that the costs of time, transport, lunches and other opportunity cost born while pursuing the Ksh50, 000 negated its fruitfulness at the end of the day.

4.1.2 Loan Acquisition waiting period

The fund was established to provide alternative financial services to women who are excluded from the formal and informal financial sectors, Kenyan women aged 18 years and above, who may be organized in registered Self Help Groups or as individuals or companies owned by women. The fund is accessed in two ways: for individuals/registered groups or companies by applying for the loan from a preferred financial intermediary which then conducts their normal credit appraisal/evaluation. Registered groups are required to fill a standard loan application form under the Constituency Women Enterprise Scheme(C-WES).These forms are available for FREE from the offices of the (DG&SDOs). This product is called “TUINUKE LOAN”. This is a very subsidized loan that must be repaid to enable others borrow.

From the financial intermediaries up to kshs.500, 000 for a maximum of 36 months. Amounts above half a million are recommended to the Fund’s Advisory Board for consideration and a maximum interest rate is 8% per year on a reducing balance. TUINUKE LOAN” a maximum of Kshs.50, 000 for 12 months for the 1st loan, 2nd loan of Kshs.50,000.00 is automatically available if 1st loan is repaid within 6 months. 3rd and 4th loans of Kshs.75, 000 and Kshs.100, 000 respectively follow for the group and it has Zero (0%) interest rate and a one-off administrative fee of 5% of the loan amount. After the successful repayment of the 4th loan, a “letter of Good Credit Worthiness” is issued to a group. Be a registered group of more than 10 persons. Groups should have been in existence for more than 3 months, have an account in a Bank/SACCO/Post Bank etc., be operating a viable business or planning to start a viable business, simple security requirements that include; group guarantee, household items, business stocks, quoted shares, etc. a grace period of 3 months for

the Tuinuke Loan start to run from the date the group receives the cheques from the field officers, the District Gender and Social Development Officers (DG&SDO) or the money is directly credited to the account through Electronic Funds Transfer, loan repayments at any KCB branches countrywide, using pre-printed deposit slips given to all groups. Remember to write down the GROUP's NAMES. Its amount has been increased to 2 million per constituency starting 2009/2010 financial year. If women borrowers in a Constituency default, they deny fellow women in the same constituency from accessing the loans (i.e. funds belong to a particular constituency and cannot be transferred). Fund is managed by a competent Advisory Board composed of Kenyan women & men of diverse professional standing and experience. A qualified management team oversees the daily operations of the fund at the Secretariat. The District Gender and Social Development Officers (DG&SDOs) oversee the field operations at the constituency level.

The results from the Focus Group Discussions and individual interviews in kabula and Bulondo on 4th July 2013 mentioned that the period between the time the loan application is approved and the time one gets the loan is rather too long. The study showed that of the long loan processing duration makes members to lose interest, particularly if the loan was meant to be used for speculative purposes for example at a specific season like for buying maize at harvesting time when the price is lower for sale later when the prices go up to make profit.

4.1.3 Expected Loan Collaterals

It was found that females outweigh males both in the number of beneficiaries interviewed and in the fund management but still needed male approvals in beginning or establishing any business or getting funds as they use their collaterals as securities. Participation by women and men in many activities is skewed against women due mainly to cultural reasons and limited access to educational opportunities due to their socialization many women have developed wrong attitude. The acceptance of male domination means many women are unwilling to be proactive in asserting their participation in decision making and to vie for leadership. Women's entrepreneurial development was also impeded by some gender-specific constraints. The types of securities expected from the women who took loans from WEF included but was not limited to the following Group guarantees; (social collaterals); Household items; financial assets; fixed assets .e.g. land, buildings and many more.

When asked their opinions on the issue of collaterals, the majority responded that the demands in the range of the collaterals expected by WEF though flexible and cheaper than those demanded by other financial institutions should be removed as women lack such securities. However, they said that getting those securities still cannot be possible for all categories of women, particularly the very poor and the marginalized persons. Some of the women also expressed the gender concerns that when a woman is married one cannot claim to own even a household item to use as security unless the husband endorsed. The results of the interview on access to services and properties revealed that the female gender has less access to resources and limited control at all even where there was access while the male gender had both the control as well as the access to the resources. Lack of security or collateral emerged as one of the biggest constraints to qualifying for the credit.

4.1.4 Repayments and Grace periods

The women are given 3 months grace period. This afforded the entrepreneurs enough time to stabilize in the market before they could start making repayments. Without this market stability, entrepreneurs may have to start repaying their loan installments using the very loan capital they had received. As noted by one CWES Committee in Bungoma County, this grace period also meant that for those engaged in agricultural related enterprises; they could plan with some certainty for loan repayment. Some respondent however wished for 6 months grace period so that they could get enough time to establish and stabilize their business before repayment because of the high poverty level. Majority even wished it to be a grant so they do not have to repay but put the funds back into expansion of their businesses for sustainability. The loans are supposed to be repaid in twelve equal installments. At the MFIs distribution channels, the repayment period may vary according to the agreement with the specific MFI and the amount taken but the repayment period must not exceed 3 years. Some individual women Entrepreneurs mentioned that the grace period was good but not for the women who were at the business startup.

4.1.5 The 8% interest Rate at the Micro Finance channel.

During the Focus Group Discussion with the women from Kabula on 6th July 2013 with community leaders, it was suggested that although the 8% interest was reasonably low and affordable, it may be necessary to make some more reduction on the interest for the women who were in the poorest category. The women leaders added that some poor and the marginalized lacked social capital found in joining groups since they suffered from isolation. It emerged that there are women who preferred to work alone and not in a group but they were not in a position to afford the 8%. As entrepreneurs who operated in low-end markets characterized by small margins and high competition, a much lower interest rate charged on WEF loans would spur growth in women-owned enterprises that would not otherwise survive the high interest rates charged on the traditional commercial bank loans. This finding was echoed by respondents from all the constituencies and financial intermediaries interviewed. The interest rates charged by financial institutions was 8 percent per annum on a reducing balance, which was far less than the 18-22 percent charged by traditional commercial bank loans through the CWES stream administrative fee of 5 percent of the amount of loan and were expected to repay the loan within 12 months.

4.1.6 Availability of time to run their business and division of labour

Balancing productive and reproductive and household responsibilities has been a challenge for women worldwide and women in Kenya are no exception. On average women work for 12.9 hours a day compared to 8.2 hours for male counterparts. (sources) During interviews with both the male and female entrepreneurs, the researcher sought to know the household division of labour and how the time is normally used by men and women interviewees. The information on the division of labour was important as it had implications on the type of business one could manage which in turn influenced the qualification for accessing the fund's services. Women are responsible for most activities than men who participated in community development, office work, running the business, political meetings, and men group meetings. The sexual division of labour considers women as the secondary earner of the family while the man is considered the wage earner regardless of whether or not this is the case.

From the interview carried out on 10th July 2013 in Kabula, and Bulondo, women revealed that they were time poor and this had a bearing to their chances of accessing information on alternative resources available for them. The activity profile of the women interviewees showed they spend more time performing household chores leaving them with very little time to even follow up credit facilities whose access process was reportedly lengthy. The pressure of time on women was associated to culturally constructed gender biases in division of labour which overburdens the woman as compared to the male gender. Being time poor made the length of time in processing application and to the ultimate receipt of the loans longer and contributed to access constraints of too many women. One of the woman interviewee remarked that it was more economical for her to go for alternative loans which she could access within a shorter time than to struggle to follow up the WEF loan for too long at the expense of her family responsibilities. All the respondents agree that domesticity was a hindrance to women advancement.

Objective 3

4.2.0 To identify the challenges faced in utilization of the Fund by the target beneficiaries

During the study the researcher was told by the interviewees that the factors in the general environment had also contributed in limiting accessibility of WEF for the majority of women. The factors cited by most of the women were grouped by the researcher as political, economic, socio-cultural and technological which included the following:

4.2.1 Economic factors

The study noted during the discussions at WEF office that limited resources at the disposal of the treasury office in Kenya had impacted negatively in the amount of resources availed to WEF for loaning to the women. The researcher learnt from WEF officers that due to greater demand for revenue to implement Govt promises to the electorate, the central government / treasury occasionally redirected amount to be allocated for the women to access to other uses. This scarcity of funds influenced the amount available for the accessibility by the women and the number that actually receive the loans. The inflation rates had led to high operational costs for the government in commodities like fuel and energy also impacts negatively on the available funds for women enterprise fund thus affecting its accessibility by the target beneficiary. The researcher was informed during the interview of the MFIs that there was stiff competition from other financial institutions such as Equity bank, Faulu Kenya, Kenya Commercial Bank and other micro finance institutions in Kenya. This competition, the study was informed; made the MFI to apply commercial tendencies for its sustainability.

4.2.2 Social cultural factors

The low education level of women limited their ability to learn business skills hence many of them engaged in unviable business ventures such as hawking in the streets, operating very tinny and unattractive saloon businesses, selling very small and uneconomical second hand goods or opening small food kiosks near their houses .Gender biases on property ownership rights constrained opportunities for the women to acquire property to use as securities while seeking loans. Religious restrictions such as the Muslim laws prevent women from borrowing money to be paid back with interest for the business ventures. It was found that females are the majority in the number of beneficiaries interviewed and in the Fund's access but still needed male approvals in beginning or establishing any business or getting funds because of collaterals they need and societal and cultural dictatorial. The study also revealed that participation by women and men in many activities is skewed against women due mainly to cultural reasons and limited access to educational opportunities because of socialization, many women had developed wrong attitude.

4.2.3 Political factors

The government policy and international expectations on the MFIs to remain sustainable but at the same time serve the interest of the poorest of the poor present a challenge. These policy demands on MFIs call for the commercialization focus of the MFIs for them to compete and remain sustainable in the business field so they cannot charge lower interest rates than the current payment .WEF was formulated at the time when the election period for the country was just about to start. Hence citizens believed it was free campaign money and some still believe so. They do not understand why it should be paid back let alone paying back with interest.

4.2.4 Technological factors

The researcher was informed of lack of access to information and communication technology like computers and mobile phones by the entrepreneurs limited their opportunities to get information on the fund which therefore either reached late and distorted or never reached at all for some of them and even WEF and for DGSS offices were not all connected or equipped with adequate information and communication equipment to enable timely accessibility to the financial services. The study revealed that the departmental resources are from the central government and allocations were ever meager and always released later than expected. The study noted the following shortcomings: inadequate number of skilled staff with gender expertise; inadequate funds for implementation, monitoring, evaluation and for capacity building, lack of information and communication equipment such as internet, fax machines and other modern facilities that can facilitate faster delivery of services related to WEF. This scenario directly affected WEF accessibility in that the gender officers said they lacked the resources to use in facilitating the access to the funds by the women.

4.2.5 Market saturation also affects the performance of women enterprises.

This is related to a lack of access to higher value markets, shrinking market and increased competition. This finding was echoed by the lenders and WEF managers who noted that most women borrowers faced difficulties in retaining existing markets. Many entrepreneurs particularly women are located in low value markets where there are few barriers to entry. Their business sectors often in trade and services tend to be crowded because of these low barriers. This leads to saturated markets and little room for development. Their enterprises are smaller, less likely to grow, less profitable, and begin with less capital investment than those owned by men.

Women and men also operate from different locations. Men are twice as likely as women to locate in trading centers, commercial districts or roadside locations; women are almost twice as likely to be operating from the home. It was found that most of the enterprises consisted of small services such as selling cooked foods by the roadsides, hair care services, making clothes, selling second hand clothes, fruits, vegetables and fish in the open air. The study also shows that women spend less time in their businesses than men because they are expected to carry their domestic responsibilities, including housework, food preparation and childcare. This also explains why women are more likely to operate their business from home which affects the performance of women enterprises. This is related to a lack of access to higher value markets. Many entrepreneurs particularly women are located in low value markets where there are few barriers to entry. Their business sectors (often in trade and services) tend to be crowded because of these low barriers of entry. This leads to saturated markets and little room for growing. Without innovation through new product development and access to higher value markets, the potential for success for is low.

4.2.6 Targeting of the poor and the vulnerable Women

The respondents expressed their concern that WEF did not come up with access policy that gives priority to the very poor who needed the subsidy most but instead left the door open to all categories of women giving the well to do women advantage of depleting the funds as soon as the funds were disbursed. This reduced accessibility by the poor women who were the majority since many of them were turned down since the well to do were always faster in getting information and the fund a head of the rest.

4.2.7 Unclear Partnership Approach

The study revealed that there was lack of established partnership procedures between WEF and MFIs as it was not very well founded. Partnership was explained to be rather loose and lacked clear direction. MFIs were not tied to giving specific sensitivity when dealing with gender and poverty issues. The study also learnt it was not clear how the constituency committee and the gender office on the ground were supposed to network and coordinate with the MFIs and support each other and also do checks and balances on the accessibility issues. In fact, the study was able to get exact number of women who got credit from the constituency office but it was not possible to get exact number of women loaned from the MFIs. Information from the key informants revealed that objectives of the DGSS are fully welfare oriented while the objectives of the financial intermediaries are majorly focused on profitability and the two objectives are clashing hence not very compatible yet not enough consideration was given to this factor before the contracts were sealed. This was identified by the interviewees as one of the factors that limited accessibility.

4.2.8 Communication and information system

The study results identified inadequate information flow to be one of the limiting factors in access to WEF for the majority of the women. Given their busy daily schedule of responsibilities as was analyzed in the activity table 4.9, the majority of the women lacked adequate time to seek or access information such as regarding services of WEF loans which were not so far regularly supplied meaning they had to spare time, keep travelling to seek updated information on whether or not the loans were available. The problem of information flow for awareness was also compounded by lack of extension service staff that can pass information to the women. The fact that the WEF head office also was poor in giving feedbacks on the situation of applicants awaiting their checks to be released also made things worse as some women ended up getting no communication on the fate of their applications and this affected accessibility since many potential clients were discouraged from applying following the experiences of others.

Evidence from the study data indicates women owned enterprises benefiting from the Fund had registered less growth because of lack of professional know how on how to deal with gender issues when interacting with women. Most MFIs are more focused on commercialization of the WEF product than looking at the fund to be geared more towards poverty reduction and reducing the gender gap in access to financial services. Inadequate marketing of the fund to the clients visiting MFIs seeking to make informed decisions on whether to take loan from the WEF kitty with lower interest or go for the privately owned loan of the MFIs which leads to confusion on the part of some women on which funds are for WEF and which products belonged directly to the financial Institution. Some MFIs were charging the women clients more than the agreed maximum 8% interest. The type of the forms to be filled when applying for the

fund from the MFI were too demanding and complicated for the common woman to apply. The types of collaterals demanded by the MFI discourage women most of whom had no recognized properties to offer as securities. The issue of collaterals forced women to bring in their husbands when they wanted to take loans and this raised gender issues when it came to decisions on how to use the loan and its benefits. Women are very often unable to meet loan conditions, specifically collateral requirements. This is primarily due to cultural barriers that restrict women from owning fixed assets such as land and buildings; (ii) many financial institutions lack confidence in projects owned by women; (iii) Women are perceived to be risk adverse in approaching banks to finance their small projects. Small loans are costly for financial institutions to put on the books and administer; (iv) Women are seen to lack management skills, and some women have relatively low levels of education and technical skills; (v) Women often lack the ability to approach a financial institution and to develop a proposal for financing (business plans); and (vi) Women do not have the same opportunities for full-time waged employment, and therefore have more limited capacity for savings accumulation than men.

4.2.9 Poverty Targeting and gender issues

According to the information from literature review of WEF guidelines, access to the financial services was open to all categories of the women and there was no categorization on which class of the women was to be prioritized. The study also revealed from the interview with the MFIs that there were no clear policy guidelines as regards how the MFIs were to handle poverty and gender issues among the clients. Further still no clause was included in the contract between WEF and the MFI. This lack of clarity led to most of the funds being loaned to middleclass women at the

expense of the poor women who formed the majority of the population of the women within the study area. The MFI personnel also said that most of them did not have adequate knowledge in dealing with gender issues hence needed more guidance on the same.

4.2.10 Sustainability and commercialization of MFIs

The results from the interview of the MFIs informants revealed that although the original objective for the emergence of MFIs from the historical point of view was to serve the poor of the poorest, over time the trend had since changed to reflect the demands of current competitiveness in the market and sustainability issues. Due to the fast growth in the number of MFIs and the resultant stiff competition, the situation called for all the MFIs to devise strategies in keeping with pursuing competitive advantage in order to meet the expenditures of the rising cost of operating business and to also maintain the stakeholders' confidences. The researcher learnt that commercialization of the MFIs policies and objectives had taken priority over the focus of putting the interest of the poor first unless otherwise there were funds from a third party which must for that matter be clear in its expected targeting. In addition is the requirement from both the national and international policy regulations that all the financial institutions, should build permanent reliable and sustainable capital base. According to the results of the interview, this is a challenge given that they are also expected to perform some social welfare services to reach out for the poor majority who are the women.

4.3 To assess the funds effectiveness in poverty alleviation by the target beneficiaries:

Even where microfinance institutions have come in to address the issue of access to credit, their focus has largely been poverty reduction, rather than women development. Their loan sizes have therefore tended to be too small to support growth. the inability to transform resources into goods and services; (ii) inadequate support in terms of business training and skills; (iii) unavailability of information on markets, suppliers and partners; (iv) limited access to finance owing to lack of collateral, high costs of administering WEF loans and absence of specially dynamic credit streams; (v) weak, fragmented and uncoordinated institutions that support the fund; (vi) limited access to markets, and (vii) limited access to support services as they are mainly located in urban areas. (i) unwillingness or inability to take up new technology, partly owing to lack of relevant information, but also due to being averse to technology; (ii) low literacy levels among women enterprise owners this limits their ability to access information and training opportunities; (iii) lack of motivated attitudes by entrepreneurs to invest in the development of their own enterprises ((iv) employees negative attitude and behaviour, unreliability, and insufficient skills, making delegation difficult; (v) weak business organization due to a multiplicity of gender-based roles (vi) lack of managerial capacity in business; and (vii) lack of, or informal business plans and the inability to think strategically about the business, poor information, which leads to misperceptions of the overall risk and return of these investments.

The study found that WEF compares favorably to other interventions particularly with regard to cost effectiveness as it can be recycled and re-used(sources). Moreover, unlike many other interventions, costs for the WEF tend to diminish with the scale of outreach and prospects for sustainability since few, if any, other development tools have the potential to become sustainable such that, after initial start-up grants, new inputs are not required for every future client. There need not be a trade-off between reaching the poorest and attaining financial sustainability. The overall concern of the people is that the ministry channel is reaching different and more excluded Kenyan women than the MFI channel. The study revealed that the structure of the department is of a hierarchal type and decisions were made by top management and passed downwards to the subordinates and this affected communication and information management of WEF as some decisions took too long to be implemented. Some of the women complained of the delay in getting feedback for their applications thus impacting negatively in the time for accessing the financial services. The departmental staffs were also charged with the responsibility of making follow up visits to groups and individual projects to track progress and offer advisory services on the same. However the study revealed that out of the 250 respondent only 50 of them said they had been visited by the gender officers with an intention of finding out the progress of the business.

Figure 4.4 Filed picture Kholandia women group’s poultry project as an income generating activity (IGA) for the women empowerment (photo taken on 22/7/12)

Source: Field Survey (2012)



Objective 4.

4.4.0 To suggest ways of enhancing usage of the fund by the target beneficiaries through interventions

4.4.1 Training: In the CWES stream, borrowers must undergo mandatory training before receiving the loan. This approach is aimed at ensuring that members of the groups had appropriate knowledge and skills to steer their business to success and be in a position to repay their loans.



Figure 4.5 A training for buchevo CBO support group in Kabula on income generating activities before group gets funds from WEF. (22/6/12)

Source: Field survey 2012

According to the research findings, 68 per cent of the women interviewed had not acquired skills in planning and management of a project or a business, hence they relied solely on their personal know-how from experiences. This posed a big hindrance to accessibility to WEF loan for the majority women since only a few women had capacity built in business skills. For the women to have confidence in taking loan and being able to repay on time, skills are required to run business that could yield good and quick returns. Acquisition of skills for basic participation and improvement of the status of women enhances the ability of a person to make rational decisions in life. Training of the staff and community members to build their capacity was one of the key activities the department is expected to carry out as one of the strategies of empowerment. In responding to the interview questions, 150 women entrepreneurs said they had never undergone any training organized by the department concerning WEF activities. The credit officers from the financial institutions said that they had not received any trainings from DGSS on how to handle gender issues when dealing with their clients. The women leaders said they had some training but needed more, so they requested for a longer and a more thorough training where they could get more time to ask a number of questions for clarifications.

4.4.2 Dissemination/distribution of information materials for Sensitization

On probing the interviewees on whether or not they had ever received any important information and communication material concerning WEF benefits, only the women group leaders as members of the Women Constituency committee said they received the information materials on the fund while the rest said they had never been given any materials. One woman who claimed she had been given materials on WEF guideline by the researcher during study period said that she did not understand the language so she said she would give it to her husband to read for her. On poor dissemination of information within the FI stream, commercial banks had the greatest challenge in disseminating information on the availability of the WEF loan. Most women do not know about the fund and information has not yet reached the target market.



Figure 4.2 Chiefs Baraza for sensitization of the women on WEF at Kabuchai village (15/6/12)

Source: Field survey (2012)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The section covers the summary of the study results and finding in four ways.

5.1.1 The process involved in managing, accessing and utilization the fund.

(i) Having an active account in one of the prescribed financial institutions is a strict requirement to enable access to the services of WEF or the MFIs

The majority of the women said it was too expensive and uneconomical to open an account when one was not yet engaged in a viable business that generated regular income and pay commission to the banks for issuance of the funds.

(ii). The majority of the MFIs seemed to favour the well to do women who are already in prospective business at the expense of poor women who are the majority and need to be helped more to start up the business.

(iii) The objective of the MFIs was not to reduce poverty but to make as much sale of their own product as possible to build their own sustainable capital to stay in business.

5.1.2 Challenges faced in utilization of the fund.

(a) There are so many challenges of utilization faced by borrowers and implementers of the fund which includes the following: inadequate WEF field personnel and fieldwork facilitation, low loan amounts, delays in disbursements and a multi layered Fund structure. At the lender level, high cost of loan administration, competition with commercial bank products, poor dissemination of information, misconception about the purpose of the Fund, high default rates, high demand/limited scope of coverage, lack of distinct product branding, bureaucratic processes, limited business monitoring and delays in funds disbursement from the central government, were the main challenges.

(b) Lastly at the borrower level the challenges included: inadequate loan amounts, limited and shrinking markets/competition, lack of business knowledge, diversion of the funds, low literacy among segments of women borrowers, lack of loan securities, lack of individual choices in group lending and domestic interference.

c) Culture where women are considered inferior to men and are not part of decision making, where women have limited access to family property can only use with permission from the husband or relatives but not own.

d) Myths about banks where few banks have outlets in rural areas due to society's negative perception of banks as not friendly and out to repossess and exploit people. Banks and MFIs are in the business of making money and not alleviating poverty and have no product tailored for the poor.

There are also cultural or societal or traditional attitudes which affect the fund which includes bias in ownership of property- some societies do not allow women to own property/assets which are required by the banks as collateral securities for provision of loans.

Culture where women are considered inferior to men and are not part of decision making, where women have limited access to family property can only use with permission from the husband or relatives but not own.

Myths about banks where few banks have outlets in rural areas due to society's negative perception of banks as not friendly and out to repossess and exploit people. Banks and MFIs are in the business of making money and not alleviating poverty and have no product tailored for the poor.

Finally is the gender bias barriers which include bureaucratic legal and regulatory framework

5.1.3 Assess the extent of the fund's effectiveness in poverty reduction strategies enhanced in usage of the fund in rural Kenya.

(a)The fund has registered high number of women accessing it who are poor and could not have otherwise qualified for commercial loans from banks and who are now

able to run a business and empower themselves and their families thus fighting grass root poverty.

(b) It also extends loan without major securities but demand household items as security and charging a commission of 5 % for processing fee for the bank charges and a low interest rate of 8 % for MFIs but also gives a grace period of 3 months before repayments to enable women who are the most vulnerable and poor to start up a business for economic empowerment.

(c) It also offers trainings and education in entrepreneurships and sensitization through awareness creation.

(d) It has fostered unity among women as they access this funds through group guarantees which means being each other's keeper and motivators as if one defaults it affects the whole group and the constancy as others will not have funds to borrow since it's a revolving fund .

(e) It is also a gender sensitive strategy as it focuses on women by fulfilling the MDGs 1 and 3; eradicating poverty & hunger and promotion of gender equality and empowerment of women.

5.1.4 Ways of enhancing access and usage of the fund.

(a) To offer technical skills or expertise or trainings on sound financial expertise.

. Women need training on sound financial advice or business knowledge on starting a business and make it viable or sustainable.

(b) Encourage self-motivation or worthiness through platforms and awareness forums for rural women to participate and talk freely about issues that affect them in focus group discussions and trainings on finances, economic growth and development.

(c) To reassess WEF focus on savings more than on credit.

(d) Provide easy access to economic and employment opportunities for women by advocating abolition of Laws that hinder women's access to and control over economic resources, review, enact and implement new laws or regulations.

(e) Propose a model for funding of women enterprise fund, especially in light of the objectives and suggest practical interventions to enhance the development of women enterprise fund.

(f) Propose policy recommendations on WEF to enhance the quality, service delivery and sustainability of the Fund.

5.2 Conclusions

Factors related to the socio-cultural and economic status of women that had a bearing in reducing the accessibility to loans were: low education, limited income levels, low access to information, unemployment and large families with limited time for pursuing financial services from WEF.

However the researcher is of the opinion that since the low status of the women is not their own creation but a socially and culturally constructed state, efforts should be made to help them out of being victims of the situation as culture is dynamic and can be overcome by coming up with better poverty targeting policies to capture the plight

of the very poor women in accessing the financial services. Quite a good number of WEF terms and conditions set for the women interested in taking the loans were cited as factors substantially contributing its limited accessibility by the target beneficiaries. Terms and conditions to access WEF should be borrower friendly. As they are, they are stringent, time consuming and complicated. The terms should be relaxed to make the loans accessible

In the researcher's view, the main terms that need to be reviewed have to do with the processing period and the complicated application forms. Other factors to be reviewed have to do with the WEF institutions, partnership arrangements and information and communication managements.

One of the factors mentioned as contributing to the limited access was the commercialization of the MFIs. In an effort to support sustainability of the MFIs the study findings concluded that the MFIs are more profit oriented businesses as opposed to poverty targeting. This has the ultimate consequence of placing less attention in targeting to serve the majority of the women who are poor and are thus potentially more costly to handle by virtue of the risks and vulnerabilities characterized by dealing with such class of clientele. The study adversely pointed out the inadequacies existing at the DGSS to be contributing heavily to the constraints limiting the accessibility of WEF by the majority of women.

The factors associated with the DGSS had mainly to do with limited and in some cases complete lack of the budgetary allocation for the necessary resources and activities. These resources include vehicles, office equipment and machineries such as computers, fax machines, internet facility, and office daily expenditures. Examples of activities include monitoring and evaluation, capacity building funds for staff and women, expertise in credit management. There is therefore need to address the resource availability at DGSS particularly at the grassroots very urgently. The study also established that many of the access constraints in WEF are also general conditions that affects the access to WEF by the target group as Political, Economic, Social, Technological as well as the cultural (i.e. PESCTE) issues surrounding and interacting with environment upon which WEF and its actors operate. The objective of this study was to look at only the constraining issues which are on the negative side therefore attention was not paid to mentioning the many positive contributions made by any of the WEF actors particularly the invaluable contributions already made by the DGSS in steering WEF and the empowering of the women to their current status.

One of the main contributions made by DGSS is the formulation of gender equality policy and the strategic plan (The Republic of Kenya, 2006) for its implementation which enabled WEF to be established. However, suffice to briefly appreciate that at this juncture The Department of Gender and Social Development and WEF secretariat, the MFIs and the women as the beneficiaries have all done commendable roles in ensuring the funds allocated by the treasury is all loaned out to the women. The beneficiaries of the loaned fund are showing very promising responses in repayment of the loans. One interesting observation from the study is that most of the shortcomings that limit a reasonable number of the women accessing the fund have their root causes from the general environment which the actors have very limited ability to manage. The study results will verify the report on the recent rapid assessment which stated that the majority of the women are not accessing the Fund.

5.3 Recommendations

Drawing from the findings, this section presents some of the key policy recommendations that, when implemented, would enhance the quality, service delivery and sustainability of the Women Enterprise Fund.

5.3.1 Improved Field Level Staffing: Field offices remain sparsely staffed. The most critical interface between the fund and the borrowers in the CWES stream is managed by volunteers. There is an urgent need to review the administrative model used by the Fund to recruit and deploy better remunerated and motivated field officers.

5.3.2 Improved Business Monitoring: there is an urgency to design an effective business monitoring Programme that will increase the likelihood of women borrowers receiving timely interventions to enable their businesses continue on a growth and innovation path.

5.3.3 Allocation of more resources to field teams: The Fund should review its financial structure on administrative costs to re-allocate more resources to field teams in a way that enhances their operational efficiency.

5.3.4 Individual Loans: Funding through the CWES stream should be changed towards more individual lending. This will give prospective borrowers the freedom of investment choice as opposed to group interests; individual initiative can spur greater growth and innovation.

5.3.5 Increase in amounts of Loans: Loan allocation ceilings should be significantly increased. In most instances, the amounts of funds allocated to borrowers fall far below the actual financial needs of a business.

5.3.6 Enhanced and standardized Training: Training to borrowers on both streams should be standardized with room for customization to unique borrower needs.

5.3.7 Legal framework for Defaults: The CWES stream still lacks a strong legal framework for securing loans to ensure improved recoveries. They should develop of an appropriate strategy for giving legal backing to loan recoveries in the event of defaults.

5.3.8 Increased Funding allocation to the CWES Stream: Study evidence on the performance of the Fund demonstrates that the CWES stream has higher rates of return and coverage compared to the MFIs stream for the Fund to impact the lives of more economically marginalized women.

5.3.9 Business Incubators for start-ups: The present funding framework excludes start-ups due to the high risks associated with such ventures. To eliminate the risks involved with funding to start-ups, business incubator initiatives should be promoted to improve the contribution of the Fund in supporting viable innovations which would otherwise be denied funding as start-ups.

5.3.10 Enhanced Revolving Funds: The fund should make the revolving fund structures functioning efficiently to ensure that funds are available to borrowers based on recoveries in both the MFIs and CWES streams.

5.3.11 Streamlining fund structure: The current fund structure should be reviewed to eliminate or minimize structures in its administration in a way that limits the bureaucracy and increase administrative efficiency.

5.3.12 Increasing the number of loan holding Banks: The number of banks to which loans and repayments can be channeled should be increased especially in the rural areas where borrowers travel long distances to carry out bank transactions in the traditional banks to which loans have been channeled thus diversification will enable borrowers choose banking institutions closer to them thus cutting on operational costs.

5.3.13 Timely Disbursement of the funds: There is need to instill efficiency enhancers in the disbursement process from the central government to ensure that funds get to lenders in reasonable time. Lenders pointed at delays in funding with the result that prospective borrowers end up giving up altogether.

5.3.14 Simplifying the application process: To the poor rural groups the application process used presently is long, tedious and even costly since the poor who need the funding most cannot afford the many trips, groups have to make to different offices in the registration process, end up being excluded from access to the Fund. Making the application simple and restricting application to less rigorous requirements can significantly improve access to the Fund by eliminating the cost hindrance associated with visiting many offices in the pre-application stages.

5.3.15 Role of Central Government:

The central government may consider making women enterprise fund parastatals enabling it to operate like any other financial institution with less bureaucracy normally associated with civil service. Women enterprise fund secretariat human resource base need to be increased and the deployment of more WEF staff to the districts and provinces. Mismanagement of resources happens when leaders use discretionary powers for their own benefit and not for community benefit or when resources are spent in a wasteful manner or for unintended purposes. To check against this form of corruption, communities must be empowered so that they are aware not only of existing development plans and available resources but also of the ways in which they can take part in formation of such plans. Citizens have to be empowered to take a more proactive role in the management of these development initiatives and translate into better service delivery, and also ensure transparency in utilization of the funds. The study recommends the rationalization of all development funds through Local Authorities to avoid duplication of roles. Further some WEF committee members were said to be corrupt they allocate funds selectively to people who don't need it and can afford collaterals. This meant that the fund was geared towards satisfying those who can easily access loan from financial institutions.

5.3.16 Way forward to remove challenges and improve the utilization of the fund

To offer technical skill or expertise or training on sound financial expertise like when you take money how do you make it work for you so that you can achieve intended purpose with interest so that it can repay itself. Women need training on sound financial advice or business knowledge on starting a business and make it viable or sustainable.

Encourage self-motivation or worthiness through platforms and awareness forums for rural women to participate and talk freely about issues that affect them in focus group discussions and trainings on finances, economic growth and development. To reassess WEF focus on savings more than credit tend to reach a smaller proportion of the poorest, have a lower and slower impact on poverty reduction, and are therefore less conducive to reaching the Millennium Goals by the target dates. While the savings first institutions are easier to finance by donor agencies (far less start-up capital required), the few comparative studies available show that borrowers fare better than non-borrowers, To install a basic handling capacity which still is challenged on many accounts but the wholesale loans offered are predominantly in many cases exclusively, benefiting women groups that have little or no access to loans offered by microfinance institutions and banks. Provide easy access to economic and employment opportunities for women by advocating abolition of Laws that hinder women's access to and control over economic resources, review, enact and implement new laws or regulations.

5.4 Suggestion for further studies

The following related areas can be researched on to add up to the knowledge of what this study has achieved. First, there is a need to carry out a study on the successful public ran Micro finance institutions at least for best practice models. The findings will help in advising the government on a comprehensive approach on poverty eradication using the right targeting. Secondly, a research should be carried out to evaluate WEF policies and its objectives and find out the areas where the policy is in conflict with the actual recommendations and practices. The researcher would

recommend a similar research with a bigger sample size over a longer duration to be conducted.

Figure 4.6 Poverty in rural areas of Kenya, a woman receives uniform for her children from an existing a women group in Sangalo village



Source: Field survey (2012)

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APPENDICES

Appendix I

Questionnaire No.____

QUESTIONNAIRE FOR THE WOMEN ENTERPRISE FUND (WEF)

My name is **Werre Cyrilla Amany** Master's Degree Student in Development Studies at the Moi University. As part of the requirement for the course I am carrying out research on "**Poverty Alleviation in Rural Kenya: A case study on The Women Enterprise Fund in Kanduyi Sub-County, Bungoma**".

I request your permission to participate in this study by answering the following questions.

Any information given will be only used for the purpose of the research and will be held in confidence. Your Names will not be disclosed and you are free to stop at any time.

Your participation is voluntarily.

Thanks in advance for your cooperation.

Section A: Profiling Women Enterprise Fund

1. Name _____

2. Location _____

3. Age group

18- 29 []

30- 35 []

36 yrs. & Over []

4. Gender Male [] Female []

5. Marital status

Single []

Married []

Separated []

Widowed []

6. Level of education

No Formal Education []

Primary []

Secondary []

Tertiary []

7. Income

Salary []

Casual laborer []

Small business []

Farming own land []

Vending [] other []

8. Do you own any property? Yes [] No []

Land [] Housing [] Money []

Material property [] [] other

9. Did you inherit any property?

Land [] Housing [] Money []

Material property [] [] other

Level of Organization

10. Do you belong to:

- a) Registered self-help groups [] b) Enterprise [] c) Individuals or companies owned by women

11. Is your group/enterprise registered by government

Yes [] No []

12. How long has your group/enterprise been in existence

Less than 3 months [] 3-6 months [] More than 6 months []

13. Do you operate an active bank account? Yes [] No []

14. If in group, do you hold group meetings? Yes [] No []

How often

Daily [] Weekly [] Every two weeks [] Every month []

15. If in group, do you keep minutes in your meetings Yes [] No []

16. Do you keep financial records? Yes [] No []

17. Do you have a marketing plan? Yes [] No []

Awareness of the WEF Programme

18. Have you heard about the WEF Yes [] No []

19. If yes, how did you learn about the fund? Through:

Media (specify) [] other Women [] Government officer (specify) [] Civil society []

Other (specify) []

20. Please indicate (by ticking) your level of knowledge on the following WEF programs

WEF Products	Very High	High	Medium	Low	Very Low
C-YES loans					
Financial Intermediaries' Loans					
E-YES					
Market support and Linkages					
Enterprise development services					
Jobs abroad					

Level of Participation in WEF Programs

1. Do you participate in WEF programs? Yes [] No []

2. If yes, how will you rate your level of participation in fund programs? (If No, skip to 20)

Very High [] High [] Moderate [] Low [] Very Low []

3. What is the nature of participation in WEF programs?

Supply of information [] Involved but 'No say' []

Initiate Projects [] (Up to) Monitoring & Evaluation []

Other (specify) _____

4. The community has helped improve women participation in development programs

SA [] A [] UD [] D [] SD []

Level of Accessibility or Utilization of the WEF

21. Have you ever applied for the WEF? Yes [] No []

22. If yes how did you conduct the process?

23. Please indicate your reaction on the following features of WEF loans

Feature	Very High	High	Neutral	Low	Very Low
Flexibility on collateral					
8% per annum interest rate					
Group guarantee					
Start-up of Ksh 50,000					
Possibility of individual loans					

24. What is the level of appeal of WEF programs?

WEF Products	Very High	High	Neutral	Low	Very Low
C-YES loans					

Financial Intermediaries' Loans					
E-YES					
Market support and Linkages					
Enterprise development services					
Jobs abroad					

Please respond to questions 27 – 33 by stating your level of agreement or disagreement

Where

SA means Strongly Agree

A means Agree

UD means Undecided

D means Disagree

SD means Strongly Disagree

25. The process of applying for funds is easy enough for me to make my application

SA [] A [] UD [] D [] SD []

26. The costs of making an application for the fund is not expensive to me

SA [] A [] UD [] D [] SD []

27. I would prefer to go for the fund compared to other sources of finance

SA [] A [] UD [] D [] SD []

28. I would consider applying the WEF however small the allocation

SA [] A [] UD [] D [] SD []

29. I would, if necessary, use my assets as collateral for loan

SA [] A [] UD [] D [] SD []

30. I would repay the funds loan

SA [] A [] UD [] D [] SD []

31. My economic status are likely to change when I access the WEF

SA [] A [] UD [] D [] SD []

32. Do you consider applying for the WEF in the near future? Yes [] No []

33. Please give reasons for your answer in 33

Challenges in accessing the WEFs and the way forward

34. Please outline some of the weaknesses of the WEF

35. What in your view can be done to improve the WEF

Appendix 2

Interview Guide for Key Informants

Name of Organization _____

Title of Officer _____

1. Have you ever applied or accessed the women enterprise fund in economic development? How was the process of access of WEF?
2. What is the response to products and services you offer under the WEF?
3. Do Women participate in the WEF, if yes, to what extent?
4. What are some of the positive contributions of the WEF program strategy to development in the society?
5. What challenges have you experienced in implementation of WEF program?
6. What are the appropriate ways of with these challenges of implementation of the WEF?

Appendix 1: SWOT ANALYSIS OF WOMEN ENTERPRISE FUND

STRENGTHS

Government's support through the parent ministry i.e. Ministry of Gender, Children and Social Services enable the Fund to support women all over the country.

- 1 .Support of Committed Advisory Board with diverse expertise's.

2. Qualified and committed staffs that is able to drive the Fund into the future
3. Trainings and loan capping /Equal fund allocation.
4. Established distribution channels through intermediaries.
5. Existing organized and registered target groups
6. Subsidized interest rate and Low rate credit risk of the target group
7. High Enterprising target group.
- 8 .High demand for the product.
9. Target groups are more focused, committed and

WEAKNESSES

1. Inadequate loan amounts Ksh .50, 000 per group for the constituency channel is low
2. Reliance on “charity” i.e. ministry officials and Divisional Women Enterprise Committees.
3. Lack of proper structures for implementing the mandates e.g. inadequate ICT system.
4. Delays in disbursements and multi layered Fund structure.
5. Lack of proper budgets from the grassroots for training and mobilization.
6. Overwhelming demand versus the available funds
7. Lack of enough staff especially inadequate field personnel.
8. Low awareness especially in the rural areas/ poor dissemination of information.
9. Limited and shrinking markets and heighten competition.
10. Inadequate professional and technical staff.
11. High cost of loan administration and stiff completion from commercial banks.
12. Misconception about the purposes of the Fund (loan not a grant)
13. Diversion of funds, domestic interferences and lack of loan securities.
14. Limited business monitoring and delays in funds disbursement from the central government.
15. Low literacy and low value enterprise segment.

OPPORTUNITIES

1. Political/government support (political goodwill).

2. Interest and demand for the funding by the women manifested through ongoing initiatives.
3. MDGs framework, vision 2030, gender policy in place and existing credit worthiness among women.
4. Low income levels among women.
5. Cultural value system which denies women access to property to act as collateral.
6. Existence of institutions e.g. JKUAT offering technological support and training for women enterprises.
7. Partnership arrangements between Women Enterprise Fund (WEF), Ministry of Gender Children and Social Services (MGCSS) and Micro Finance Institutions (MFIs)

THREATS

1. Political interference from political leaders and misconceptions about the fund.
2. Inaccessibility to credit due to demand for collaterals
3. Cultural bias that do not allow women to own properties
4. High cost of doing business due to high cost of loan processing.
5. Conflicting policies by implementing partners.
6. Impact of HIV/AIDS leading to frequent collapse of enterprises and diversion of funds hence high rates of loan default.
7. High levels of illiteracy among rural women.
8. Traditional Attitudes which favour men over women for property ownership.
9. Competition from financial intermediaries.
10. Myths about Banks, negative perception repossession of assets & Exploitation by middlemen

Table 4 .8 Harvard activity tool - Male /Female activity responsibility profile

Preparing children for school - x
Food preparation - x
Washing clothes - x
Cleaning the house - x
Child care - x
Collecting water - X
Buying food from market X
Church meeting - X
Community development activity x X
Office work x -
Running the business x X
Women group meetings - X
Men group meetings x
Taking children to hospital - X
Political meetings x -
Key: X Means Yes